REQUEST FOR PROPOSAL

Procurement # 08-324

Project Title: Fraud and Abuse Detection System (FADS) Procurement

Proposal Due Date: All Proposals whether mailed or hand delivered must arrive by 3:00 P.M. on November 25, 2008.
Faxed bids WILL NOT be accepted.
E-mailed bids WILL NOT be accepted.

Submit Proposal To:

Proposal Delivered by Mail:

Andrew Kramer, RFP Coordinator
Department of Social and Health Services
Administrative Services Division
Central Contract Services
PO BOX 45811
Olympia, WA 98504-5811

Proposal delivered by Express / Hand Delivery, Or Courier:

Andrew Kramer, RFP Coordinator
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Administrative Services Division
Central Contract Services
4500 10th Avenue SE
Lacey, WA 98503

Procurement Website: **http://www1.dshs.wa.gov/msa/ccs**
WEBS: **https://fortress.wa.gov/ga/webscust/**

Special Notes: Bidders are responsible to access the RFP document through the DSHS procurement web site http://www1.dshs.wa.gov/msa/ccs/

Bidders are responsible for checking the same site for any future notifications, amendments, etc.

It is important that any and all Bidders who wish to participate are able to communicate with the RFP Coordinator via e-mail.

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1. Overview and Background

1.1 Scope of Request for Proposal (RFP)

The State of Washington, Department of Health Services, hereafter called "DSHS", is initiating this procurement to solicit proposals from vendors interested in partnering with DSHS to develop, implement and maintain a second generation Fraud and Abuse Detection System (the "FADS" or "System") and provide fraud, waste and abuse expertise and services. The FADS will include new detection and analytical tools, as well as services which will enable DSHS to build upon its already robust Payment Integrity efforts. The FADS will leverage the newest technology, fraud and abuse detection techniques, methodologies and services available in the marketplace.

This procurement will provide a system, services and partnership between the successful bidder and DSHS for:

- Enhanced opportunities for fraud, waste and abuse detection and prevention for Medicaid fee-for-service and social services.
- New opportunities for fraud, waste, and abuse detection and prevention for Medicaid managed care, client fraud and employee fraud.
- New opportunities to identify situations that have the potential to impact at-risk populations – for example children and the aged through predictive modeling.
- Enhanced opportunity to integrate DSHS' current audit, review processing and working papers into a case tracking system which allows for more complete collaboration, interface and tracking of fraud, waste and abuse activities with all Washington Program Integrity stakeholders.
- New geo-location displays of data sets to assist in depicting aberrancies.
- Alerts for spiked billings and other anomalies as requested.
- Ability to integrate and utilize data from other DSHS systems such as Automated Client Eligibility Systems, Minimum Data Set (nursing home information), Central Contract Database, child care licensing information, etc, as well as external data sources such as Labor and Industries, Employment Security, Human Resource Management Services, Department of Health, etc. as appropriate.
- Unsupervised/Neural net and supervised ruled based models.
- Rules-based algorithms to identify cost savings or program vulnerabilities.
- Ad hoc querying capability for data used by FADS.

DSHS seeks a thoughtful, integrated, comprehensive, and technically-sound business solution that provides demonstrable expansion capability for future growth and enhancement. Respondents should propose what they believe to be the best overall approach – by integrating one or more products into a single technical solution and including expertise and services that demonstrate the ability to build a strong partnership with DSHS – to substantially meet the objectives and requirements of this RFP.

1.2 Vision, Goals and Objectives

The agency's overall vision, goals and objectives for the Second Generation FADS Procurement Project are identified below.

1.2.1 Vision Statement

DSHS envisions a partnership with a contractor who will supply the tools and expertise to advance Washington State's program integrity efforts. The tool will be adaptable, intuitive, and low maintenance. Complimenting the technical needs, there is also a strong need for services in the form of subject matter experts in various areas of both fee-for-service and managed care Medicaid, as well as, experts in fraud, waste and abuse detection techniques.

1.2.2 Goals

DSHS' goal is to combine our experience in fraud, waste and abuse detection with the successful vendor's system and expertise to take Washington State's program integrity efforts to a new level. Over the last eight (8) years, DSHS' Payment Review Program (PRP) has experienced the value in partnering with a contractor. Through that partnership DSHS has significantly expanded its fraud, waste and abuse efforts by employing data mining techniques, and identifying program vulnerabilities and cost savings. Since 2000, PRP has attained $60 million in department-wide cost savings through data mining alone.

DSHS is ready to embark on a new era of fraud, waste and abuse detection and prevention by procuring new technologies, techniques and services which will surpass our current program integrity endeavors and savings.

Over the course of five years, DSHS expects to recover contract costs in the first full year of operations with an ever increasing return-on-investment (ROI) over the life of the contract, but no less than a 3 to 1 ROI.

1.2.3 Objectives

The high-level objectives of the FADS project are two-fold:

1. To procure and implement a second generation fraud and abuse detection system. This system will replace the current FADS and provide additional technical functionalities above and beyond those of the current FADS in order to meet the current and projected business needs of DSHS.

2. This procurement will also secure a team that includes individuals with experience in health-care, fraud, waste and abuse detection, and Medicaid; that will support DSHS in expanding our current Program Integrity efforts as well as exploring new areas of fraud, waste and abuse prevention and detection.

In order to meet the objectives of this RFP, the successful vendor will be able to meet or exceed the following objectives:

- Develop and support new methods of detecting and preventing fraud, waste and abuse through the use of technology and services, in the following areas:
  - Medicaid Managed Care
  - DSHS client fraud
  - Employee fraud
  - Medicaid fee-for-service and social services

- Develop and maintain algorithms both in the fee-for-services (FFS) and Managed Care payment areas, which combine various imported data sets to identify program vulnerabilities and areas of cost savings.

- Develop and maintain an audit subsystem including an audit workflow program that allows compilation and generation of audit work papers, audit reports, etc.

- Develop and maintain model capabilities which include both supervised (i.e. peer group) and unsupervised (i.e. data driven) which utilize FFS and managed care data as well as external data sets.

- Develop and maintain predictive modeling capabilities which will allow the system to identify trends in at-risk populations – for example trends that appear to be indicative of child or elder abuse.

- Provide subject matter expertise in Medicaid fraud, waste and abuse that will research Washington State Medicaid rules/policy in order to tailor the bidder's current library of algorithms and models to Washington rules. These subject matter experts will also develop new algorithms and models based upon Washington's rules.

- Manage provider relation services that will work with providers who receive overpayments based on the work procured through this RFP, through DSHS' informal provider dispute resolution process. This includes responding to providers following the initial notification of overpayments, answering phone calls, reviewing provider documentation, tracking communications and status, and providing recommendations for resolution of overpayment disputes.

- Develop and maintain geo-mapping capabilities that will tag the latitude and longitude information on FADS data and graphically display that information on a map.

- Develop and maintain intuitive reporting tools that will allow users and management to request parameterized reports for the various areas in the FADS, e.g. case tracking reports, audit reports, queries, etc.

- Develop and maintain a case tracking system that integrates the current audit processing activities, provider reviews, and quality of care reviews into a new tracking system. The result being a more thorough collaborative process in tracking fraud, waste and abuse activities with all FADS stakeholders from the initial lead through the audit and investigation process up to – and including where applicable – administrative or court proceedings, recovery and case resolution.

One of the anticipated outcomes of increasing attention to preventing fraud, waste and abuse is that the efficiencies will result in an overall improvement in the delivery, payment and quality of health care services to DSHS clients.

1.3 Business Needs to Procure a New FADS & Services

1.3.1 Background

Washington's Department of Social and Health Services (DSHS) provides medical and social services to over one million low-income residents – paying $4 billion annually to more than 40,000 medical providers and $1.6 billion annually to more than 80,000 social service providers. The Health and Recovery Services Administration's (HRSA), Payment Review Program (PRP) is nationally recognized for its progressive and innovative approach to the detection and prevention of Medicaid fraud, waste and abuse through the use of sophisticated data mining processes and analysis.

Washington's Medicaid Program Integrity efforts cover Medicaid and social service payments for all of DSHS. Program Integrity Staff are consolidated within the Health and Recovery Services Administration's (HRSA) Division of Systems and Monitoring (DSM). Program Integrity efforts are led by the Payment Review Program (PRP) and the Office of Payment Review and Audit (OPRA). The combined efforts of these units enhance DSHS' stewardship of public funds by providing a comprehensive, integrated approach to the identification and prevention of fraud, waste and abuse in DSHS programs. Washington's Program Integrity staff rely on the availability of advanced technology, high quality data and contractor services to perform program integrity analyses/reports and are committed to safeguarding healthcare and social services program expenditures through new and innovative approaches to the detection and prevention of fraud, waste and abuse.

DSHS' contract for the current FADS system and services was executed in 2000. The contract included the development and implementation of a Decision Support System (DSS) that leveraged new technology to assist with the detection of fraud, waste and abuse in DSHS programs. The DSS is used agency-wide and has continually identified and implemented new methods of post-payment review.

Since 2000, DSHS staff have been mining data and working collaboratively with subject matter experts and the DSS contractor. By utilizing rules-based algorithms, peer group models, data analysis tools, and provider self review functionalities, DSHS has been able to identify, prevent, and/or recover inappropriate payments from DSHS providers. DSHS success in utilizing the current fraud and abuse detection system and data mining techniques, has resulted in over $60 million in agency-wide savings plus increased savings through improved audit support. These successes were the result of a strong partnership between DSHS and the FADS contractor. DSHS seeks to establish a similar partnership with an innovative FADS contractor who can deliver the combination of technology and services necessary to maintain a second-generation FADS and continue to expand program integrity efforts in Washington.

During the past eight (8) years, the PRP DSS desktop web-based applications access and capabilities were expanded to bring data to a significant number of DSHS staff and work units.

In 2006 DSHS began the development of a new Medicaid Management Information System (MMIS), called Provider One ("P1"). One component of ProviderOne is Data Warehousing and Information Retrieval ("P1DW"). Various components of P1 are scheduled to go live throughout 2008 and 2009. Subsequent phases will incorporate a variety of social service payments currently paid from the Department's Social Service Payment System (SSPS). When the P1 system goes live, the P1DW will be the primary source of data to support the FADS. The P1DW will be utilized for reports, MMIS utilization statistics, querying of the data by DSHS staff and providing data to other systems. The new FADS will be working with data from P1DW. It is important to understand that the new FADS is not intended to duplicate functions that will be carried out by the P1DW. The new FADS is considered to be a part of the virtual MMIS and is intended to be an advanced system that will build on and enhance fraud and abuse detection capabilities. P1 functionality introduces more data that will allow for a more robust data set for the purpose of innovative data mining and development of techniques that will identify fraud waste and abuse in more areas than previously explored by DSHS.

Data mining and data analysis conducted by the contractor and state staff in the new FADS are expected to identify inappropriate payments that will result in recoveries from providers. In addition, FADS analysis will identify system and/or policy issues that need to be addressed. Both areas will result in overall savings to DSHS and will increase Washington State's payment integrity return on investment.

The following major business drivers have afforded DSHS the opportunity to procure a second generation FADS:

- The current FADS contract is ending.
- Advanced fraud and abuse detection software functionality and services were not included in the procurement of the P1 system.
- New technologies for fraud and abuse detection and prevention methodologies have evolved since the current FADS was procured.
- CMS recently awarded a grant to DSHS to procure a new second generation FADS.

The requirements outlined in the RFP are based on information gathered, researched and reviewed by DSHS and Central Contract Services (CCS).

The contract will be administered by DSHS, Health and Recovery Services Administration, Division of Systems and Monitoring.

1.4 Current FADS Overview

The following illustrates the range of technical functions and services provided by DSHS' current FADS vendor. It is important to note that some of these functionalities are not included in this RFP as they have been included in the ProviderOne Data Warehouse (P1DW) design. This information serves as historical reference only. ***In addition to current capabilities, this RFP seeks expanded functions and services that are not a part of the current contract.***

The current Washington DSS/FADS includes:

- A feature which allows state and contractor staff users to create and run inquiries against any of the data within the FADS. In creating inquiries a user can select and qualify on numerous fields in FADS.

Users can download the results of their inquiries to their local environment and further manipulate the data using commonly available tools such as Microsoft Excel and Access. Inquiries can be saved for reuse and/or can be shared with other FADS users.

- Search functionality which allows users to quickly search and bring back key elements pertaining to data contained in the FADS System.

- Modeling application which produces results used by our Program Integrity staff to assist in the review of aberrant billing practices, audit planning, and utilization review. In addition to the ranking scores, models bring back results by peer group with payment and utilization data pertaining to each provider's claims that went into the model. Statistics and graphs are also presented to assist in review. Users can see provider and recipient demographics, eligibility records and relevant claims data from within the model.

- Recovery Management application to assist in tracking provider overpayment recovery associated with the algorithm process.

- Case tracking application where leads and cases can be tracked from inception to archive. Data is easily entered and shared and available for reporting purposes. Notes and documentation can be stored for easy reference.

- A feature to track all algorithm results – whether they lead to overpayments or not. Ability to view and search on all providers identified in particular algorithms.

- Provider self review functionality which is a secured on-line application developed and implemented by contractor which allows providers to review their claims flagged by DSHS and contractor for review.

- Algorithm development services wherein contractor collaborates with DSHS to identify and develop algorithms based on Washington State rules, presents results, and works through the iterative process of development until approval by the State.

- Model development services wherein contractor works with DSHS to identify and develop models based on both peer groups and unsupervised data modeling.

- Creation of overpayment data based on approved algorithms with the result to generate overpayment notices.

- Answer and respond to provider phone calls regarding overpayments and manage informal dispute resolution process documentation review with providers.

- Generation of data and special reports as requested by DSHS management.

- Provide assistance to DSHS in defending the findings resulting from the use of the FADS at an administrative hearing or in court, if deemed necessary by DSHS.

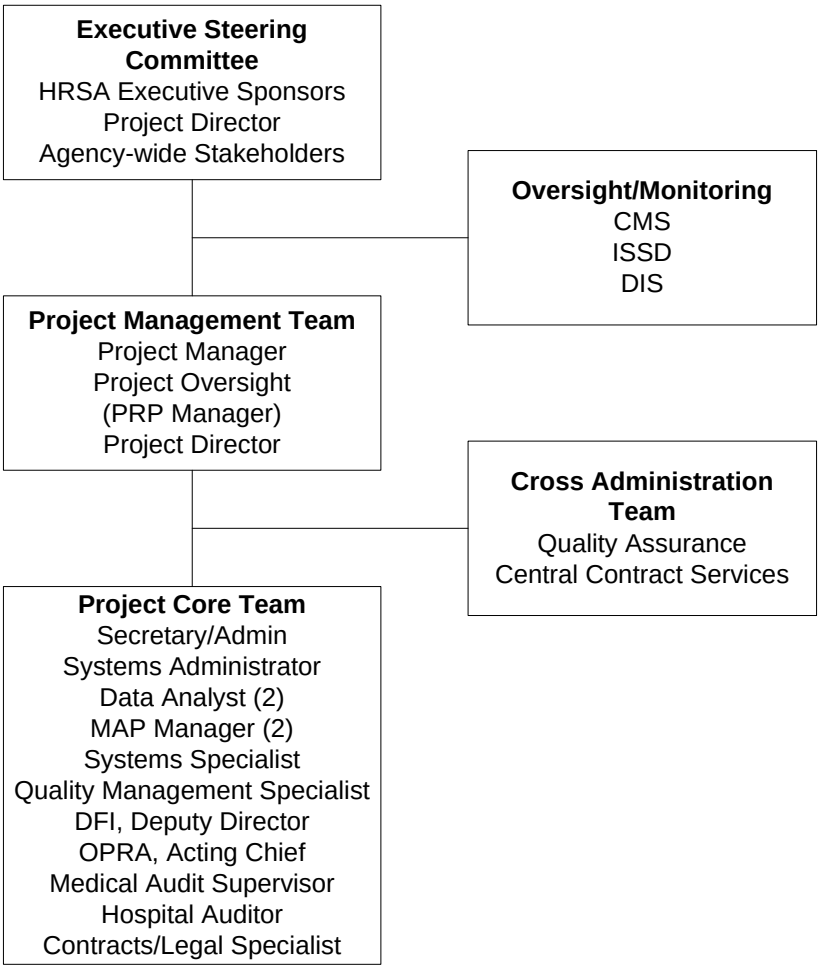
- Ongoing services to support the operation and maintenance of the algorithms and models developed during the initial development phase, as well as algorithms and models that are developed, modified and /or enhanced in response to changes in legislature, system technology or DSHS program needs.

1.5 Project Organization and Schedule

Additional background information that Bidders may find useful is provided below, including the State's assigned staff, high-level project schedule and proposed implementation phases.

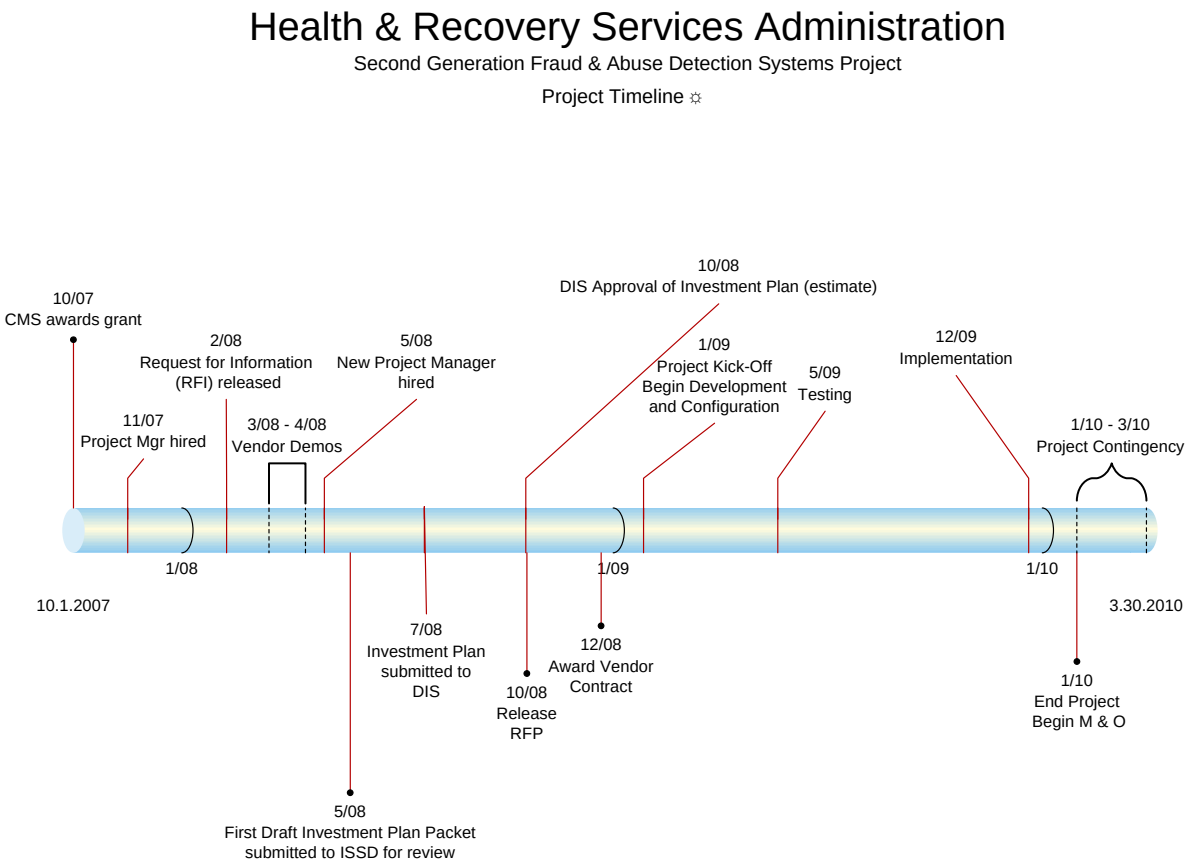
1.5.1 Project Organization

DSHS resources assigned to the FADS Procurement Project are as follows:



1.5.2 Project Schedule

The following illustration shows the proposed time line for the procurement tasks, as well as the Design, Development, and Implementation tasks for the new state-of-the-art FADS. The time frames outlines here are estimates based on goals established by DSHS. As procurement tasks progress, the begin dates for some of the tasks may change based on the amount of time required to secure review and approval of the plan.



☼This timeline is an estimate based on currently available information. Following procurement, key dates will be revised.
Revised 10/07/2008

1.5.3 Key Project Tasks

To accomplish these tasks, the procurement of the second generation FADS will be managed in the following phases:

- Task 1: Project Planning – Assure that the project infrastructure is in place and that roles, responsibilities and goals are clearly communicated to key staff and the Contractor.

- Task 2: Selection of a FADS Contractor – Washington FADS experts will work with the Project Manager to research new FADS technologies and vendors to build requirements for the FADS RFP. The goal of this collaborative approach is to issue a successful RFP that attracts the best vendor fit for Washington.

- Task 3: Design, Development and Unit Testing – Assuring that the requested functionalities which include but are not limited to FADS Data Mart/View, query capabilities, audit system, and tracking system will be designed, developed and implemented. This includes interface design, loading and validation of test data, as well as, services for the development and implementation of algorithms and models based on Washington payment rules.

- Task 4: Integration Testing and Implementation – Testing interface, loading of historic data and associated activities and training necessary to test and validate the system and data. Test integration with all components. Completion of this phase will culminate in implementation and acceptance of the system.

- Task 5: Operations, Maintenance and Support – Activities necessary to update, operate and maintain the FADS so that it continues to meet all functional and technical requirements. This includes periodic modifications of FADS; adding new data, algorithms, models to address emerging issues; all services within the entire scope of the project; training and support for users; maintenance of an active Help Desk; and provider relations.

1.6 Selected Definitions

Below is a list of definitions and acronyms designed to introduce Bidders to common terms used by the DSHS Administrations.

Acceptance Criteria: The Specifications against which each Deliverable shall be evaluated in accordance with acceptance process for Deliverables identified in the Agreement. The Acceptance Criteria for a Deliverable shall include but not be limited to the Performance Standards, warranties and other requirements described in the Agreement. For Services not subsumed in a Deliverable, the Acceptance Criteria shall be DSHS' satisfaction.

Actual Dates: The dates identified in the Work Plan which accurately reflect when activities, tasks, events and services.

Agency: The Department of Social and Health Services is the agency of the State of Washington that is issuing this Procurement.

Advanced Fraud and Abuse Detection Software: Identifies complex patterns of activities using nonlinear techniques and pattern analysis, clutter analysis, link analysis, neural networks, and other non-rule based techniques.

Algorithm: A rule-based computer filter applied to data to identify patters of payment activities.

Agreement: A formal written document between the Contractor and DSHS that identifies the set of promises constituting an agreement between the parties that gives each a legal duty to the other and also the right to seek a remedy for the breach of those duties. Appendix I – Sample Contract (Agreement) is a proposed Agreement.

Application Programming Interface (API): is a set of functions, procedures or classes that an operating system, library or service provides to support requests made by computer programs.

Application Software: The Transfer Software, Proprietary Software, and Third-Party Software. The Application Software shall be licensed or sublicensed to DSHS from Contractor.

Apparently Successful Vendor (ASV): A Bidder selected as having submitted a successful Proposal, based on the final determination of DSHS management taking into consideration the Bidder's final Proposal score and which Proposal(s) best meet the needs of DSHS. The Bidder is considered an "Apparently Successful Vendor" until a contract is finalized and executed.

Automated Client Eligibility System (ACES): A data processing system designed to support client, financial, and management activities within DSHS. Through this system, staff members enter, update and inquire on data relating to assistance units, clients, other agencies, and providers. The ACES maintains eligibility information for most DSHS programs.

Bidder: the firm or entity responding to this Request for Proposal (RFP).

Business Days: Monday through Friday, except for legal holidays observed by the State of Washington.

Case: A provider/situation which has been referred for investigation and assigned an analyst for further research.

Case tracking: The tracking, documenting and reporting of investigations.

Case-mix: The combination of information about patients such as morbidity, age and gender to be included in the comparisons of providers.

Centers for Medicare and Medicaid Services (CMS): The United States Department of Health and Human Services Center for Medicare and Medicaid Services.

Change Order: A written form, in response to a Change Request, which is mutually agreed to in writing by DSHS and Contractor, which modifies, deletes or adds to the Deliverables or Services, in whole or in part, and that is made in accordance with the terms of the Agreement.

Change Request: A written form used to modify, delete, or add to the Deliverables or Services, in whole or in part, made in accordance with the Agreement. In an abundance of caution and not by way of limitation, the definition of Change Request does not apply to any changes Contractor already is obligated

to provide under the Agreement, including without limitation changes to correct Deficiencies and changes to the System as part of the Operations and Maintenance Services identified in Section 14 of the Agreement.

Client Authorizations Services Input System (CASIS): CASIS is used by Division of Developmental Disabilities (DDD) case workers for creating an SSPS authorization for client services with an automated electronic form. The application validates client data in the Developmental Disabilities Division (DDD) Common Client Data Base (CCDB), and validates provider and service code data in the SSPS before submitting the authorization to SSPS.

Comprehensive Assessment Reporting and Evaluation (CARE): An in-house system that determines client eligibility and service payment level for clients in ADSA home and community programs.

Contract: The Agreement as defined herein.

Contractor: the individual or entity with whom DSHS executes a contract (if any) to provide the System, Deliverables and Services identified in this RFP. The term shall include all employees and agents of the individual or entity.

Custom Software: All software designed, developed or produced by Contractor under the Agreement. Custom Software shall include without limitation Interfaces as well as modifications and changes to the Application Software and other software.

Days: Calendar days, unless otherwise indicated.

DDI: Design, Development and Implementation.

Deficiency: A failure of a Deliverable or an omission, defect or deficiency in a Deliverable, which causes it not to conform to its Specifications.

Deliverables: Contractor's products which result from the Services and which are prepared for DSHS (either independently or in concert with DSHS or third parties) during the course of Contractor's performance under the Agreement, including without limitation deliverables which are described in Exhibit A, the Sample Contract and throughout the RFP.

Department: The Department of Social and Health Services ("DSHS") as defined herein.

Department of Health (DOH): A State of Washington department outside of DSHS that provides information to DSHS Administrations. Including but not limited to immunization registration, provider licensing, and vital statistics.

Department of Information Services (DIS): The State department that oversees the procurement and implementation of information systems and infrastructure for all Washington State agencies.

Department of Social and Health Services (DSHS): A State of Washington Department with six administrations that provide medical and social services to 1.3 million children and families each year.

Division of Developmental Disabilities (DDD): A division within Aging and Disability Services Administration that is responsible for services to developmentally disabled persons.

Division of Fraud Investigations (DFI): A division within the DSHS Management Services Administration responsible for detection and investigation of fraudulent activities by providers, DSHS clients and persons applying for DSHS assistance programs.

Division of Systems and Monitoring (DSM): the Division within HRSA that supports the delivery of social and health services by providing quality technology and information systems, timely and accurate claims processing, and superior payment integrity services.

DSHS FADS Project Director: The person designated by DSHS to be responsible for financial and contractual matters regarding the Agreement, including but not limited to, the person to whom DSHS signature authority has been delegated in writing. The term includes, except as otherwise provided herein, an authorized representative of the Project Director acting within the limits of his/her authority.

DSHS FADS Project Manager: The person designated by DSHS to be responsible for the day-to-day management of DSHS resources for the Project and monitoring the status of Contractor's performance under the Agreement.

Equipment: The computer hardware on which the Software shall operate following its delivery, all operating system software for use with the Equipment, and telecommunications facilities and services as listed in the Agreement.

FADS Executive Steering Committee (ESC): The ESC is made up of DSHS executives who oversee the resource management, budget, and status of the FADS Procurement Project. Monthly ESC meetings are held to communication the status of the project, deal with high-level issues, and mitigate risk.

FADS Data Mart/View: An integrated collection of data with a restricted scope of content and support for analytical processing of fraud waste and abuse detection that is organized to answer strategic, rather than operational, questions.

Fraud and Abuse Detection System (FADS): A data solution that extends the capabilities of a traditional surveillance and utilization review subsystem by permitting broad search, selection, drill-down functionality, data mining and case tracking to identify and analyze fraud waste and abuse.

Fraud and Abuse: The acts defined in RCW 74.09 and all other criminal statues to include Medicaid felonies and misdemeanors.

Gigabyte (GB): unit of computer storage (1 Billion bytes).

GUI: Graphical User Interface. User interface with graphical indicators and/or visual indicators.

Health and Recovery Services Administration (HRSA): The DSHS Administration that manages the funding, quality control and distribution of state-subsidized health-care services – including medical, mental health, chemical dependency treatment and disability determinations in the State of Washington.

Health Insurance Portability and Accountability Act (HIPAA): The Health Insurance Portability and Accountability Act of 1996, as codified at 42 USCA 1320d-d8 , and its attendant regulations as promulgated by the U.S. Department of Health and Human Services (HHS), the Center for Medicare and

Medicaid Services (CMS), the Office of the Inspector General (OIG), and the Office for Civil Rights (OCR).

Health risk adjustment methodology: A way of taking the health status, age and gender, etc of the recipient into consideration when evaluating provider utilization and service.

Information Services Board (ISB): A 15-member Board comprised of leadership from the Legislature, state agencies, higher education and the private sector. State law directs the ISB to: develop standards governing the acquisition and disposition of equipment, software and purchased services; approve Information Technology (IT) acquisitions or set rules that delegate acquisition authority; develop statewide or interagency technical policies; review and approve the statewide IT strategic plans; provide oversight on large projects; establish and monitor appeals processes.

Information System Services Division (ISSD): The entity within the DSHS Office of the Secretary that develops and administers IT standards and policies applicable to DSHS, manages the e-center and IT Portfolio program.

Key Staff: Contractor's key personnel identified in Contractor's response to Section 2.7.2, Project Management and Key Staff Qualifications Requirements.

Maintenance: Services which will be performed by Contractor following Acceptance of the System and which are described as such in the Agreement, RFP and Response.

Mandatory Non-scored Requirement (MR): The specifications within each section or subsection of this RFP which are marked (MR) in the title, including all referenced appendices and documentation, are Mandatory Non-Scored Requirements of this RFP, which will be scored as Pass/Fail. A Bidder's proposed solution must meet all mandatory non-scored requirements. Failure, in the Transmittal Letter, to indicate Bidder's agreement with all MR sections may result in disqualification of the Bidder's proposal.

Mandatory Scored Requirement (SR): The section or subsections of this RFP, which are marked (SR) in the title. These requirements are mandatory and will be scored in accordance with Section 8, Evaluation and Selection. A Bidder's proposed solution must meet all mandatory scored requirements.

Medicaid: The federal/state medical assistance program as described in Title XIX of the Social Security Act.

Medicaid Management Information System (MMIS): The federally approved system used by the Washington Medicaid program to pay provider claims for goods and services authorized under the State Plan. The MMIS is certified by CMS and is the primary information system used by DSHS to pay for health care.

Medicaid Information Technology Architecture Initiative (MITA): A national framework to support improved MMIS development and health care management for the Medicaid enterprise. The MITA standards can be found at: http://www.cms.hhs.gov/MedicaidInfoTechArch/

Megabyte (MB): unit of computer storage (1 Million bytes).

NATS: Network Address Translation allows multiple nodes (computers) to share a single internet (or local network) IP address.

Neural Network: Specialized computer software that produces non-linear models of complex interactions in a fundamentally different way. This software identifies and recognizes patterns where large amounts of data are gathered and the relationships are not thoroughly understood.

ODBC: Open Database Connectivity provides a standard software API method for using database management systems (DBMS). The designers of ODBC aimed to make it independent of programming languages, database systems, and operating systems.

Office of Payment Review and Audit (OPRA): An office within HRSA that is responsible for desk and field audits of Medicaid providers.

Operations: Services which will be performed by Contractor following Acceptance of the System and which are described in the Agreement, RFP and Response.

ProviderOne Data Warehouse (P1DW): The data warehouse that will be a component of the new DSHS provider payment system being implemented by DSHS.

Payment Review Program (PRP): A State of Washington Program that performs post-payment review to identify claim errors that resulted in overpayments to providers and initiates recoveries.

Project: The planned undertaking regarding the DDI activities under the Agreement.

Projected Dates: The dates identified in the Work Plan which are updated as tentative projections for planning purpose during the Project, as events occur, and which are intended to reflect the then-current anticipated dates for activities, tasks, events and services.

Proposed Solution: The full functionality of the FADS proposed by the Bidder in its response to this RFP.

Proprietary Software: All computer programs which were developed and owned by Contractor or Subcontractors prior to the Effective Date or which are developed during the term by Contractor staff in performing work that is not for the Project and any modifications thereof and derivative works based therein, and the documentation used to describe, maintain and use such Proprietary Software.

ProviderOne (P1): The new DSHS provider payment system being implemented by DSHS and which will replace the MMIS and SSPS payment systems.

Provider: A Health Care or social services provider enrolled and under a Core Provider Agreement or other agreement with DSHS to provide health or social services to DSHS Clients.

Quality Management Team (QMT): The QMT unit's mission is to ensure the efficient, effective, and equitable management of grievances and referrals regarding the quality of care provided to eligible medical assistance clients in the Health and Recovery Services Administration (HRSA) fee-for-service (FFS) and managed care programs.

Response: Contractor's response to this RFP.

RFP Coordinator: The single point of contact for those Bidders who are interested in responding to this RFP.

Requirements Specification Document (RSD): The deliverable produced during the Requirements Verification stage, the purpose of which is to identify and validate proposal requirements.

Schedule: The dates described in the Work Plan for performance of Services and other Project events and activities, including Scheduled Dates, Projected Dates, and Actual Dates.

Scheduled Dates: The dates which are described in the Work Plan for deadlines for performance of Services and other Project events and activities which have not yet occurred.

Social Service Payment System (SSPS): An automated system used by DSHS to authorize and pay for social services.

Software: The Application Software, the Custom Software, and all Enhancements thereto all in Source Code and Object Code formats. Enhancements provided by Contractor prior to completion of the Project and during maintenance and operations shall be included as part of the Software.

Specifications: The technical and other written specifications that define the requirements and Acceptance Criteria, as described in the RFP, the Response, and subsequent Deliverables which have received Acceptance, the Performance Standards, and the Documentation. Such Specifications shall include and be in compliance with all applicable State and federal policies, laws, regulations, usability standards, e.g., the American Disabilities Act (ADA), Older Americans Act, and the Rehabilitation Act Section 508 Subpart B Section 1194.21 et seq, and the requirements of the Internet Guidelines and Standards as defined in the DSHS NetGuide and in the Rehabilitation Act Section 508 Subpart B Section 1194.22.

State Plan: The comprehensive written commitment by a Medicaid agency, submitted under 1902(a) of the Social Security Act and approved by CMS, to administer or supervise administration of a Medicaid program in accordance with Federal and state requirements.

Statistical Sample: A selection of claims reviewed under a defined audit process in which all subsets are given an equal probability.

Stratified Sample: A sample in which a number of distinct categories are identified. The categories are then organized into separate strata. The sample is then selected from each stratum separately producing a stratified sample.

Subcontractor: One not in the employment of the contractor, who is performing all or part of the services awarded by the contract resulting from this RFP, where said individual has a separate contract with the Contractor. The term “Subcontractor(s)” means Subcontractor(s) in any tier.

Surveillance Utilization and Review Specialists (SURS): Staff within the PRP responsible for the review and analysis of payments.

System: The complete collection of all Software, integrated and functioning together with the Data in accordance with the applicable Specifications and on the Equipment. The System, in whole and in part,

is considered a good under applicable provisions of the Uniform Commercial Code as promulgated in the State of Washington, for purposes of the Agreement.

Terabyte (TB): – unit of computer storage (1 Trillion bytes)

Third Party Software: Software which is developed by third parties (not including Subcontractors) and generally distributed for commercial use, and not specifically designed or developed for DSHS, including without limitation operating system software, tools, utilities, and commercial off the shelf software.

Time: All references to time refer to the local time in Olympia, Washington.

Transfer Software: Software that is transferred by Contractor from another party for use by DSHS and that is provided by Contractor under the Agreement in Source Code form.

VA Project: Staff within the PRP responsible for identifying and referring recipients of DSHS services who are potentially eligible for VA benefits.

WAC: Washington Administrative Code. (All references to WAC chapters or sections shall include any successor, amended, or replacement regulation.)

WAN: Wide Area Network.

Work Plan: The overall plan of activities for the Project, and the delineation of tasks, activities and events to be performed and Deliverables to be produced with regard to the Project, as submitted with the Response and as updated in accordance with the Agreement. The Work Plan shall be incorporated into the Agreement as part of the Response, and each revised Work Plan shall be incorporated into the Agreement upon its Acceptance by DSHS.

2. Management and Staffing Requirements

The Bidder must respond to the requirements below in accordance with Section 7, Instructions to Bidders.

2.1 (MR) Transmittal Letter

The Bidder's proposal must include a transmittal letter that meets the requirements below. The transmittal letter:

- Must be written on the Bidder's official business letterhead stationary.
- Must be signed and dated by an individual with full authority to legally bind the entity submitting the Proposal to this RFP.
- Must contain all of the following items in the following order:
    - A statement that the proposed solution meets all the minimum qualifications and all the Mandatory Non-scored Requirements (MR) set forth in the RFP and its amendments, if any.

- A statement that acknowledges and agrees to all of the rights of DSHS including the RFP rules and procedures and the terms and conditions of this RFP, including any amendments.
- A reference to all RFP amendments received by the Bidder (identified by amendment issue date) to represent that the Bidder is aware of all such amendments. If no RFP amendments have been received, the Bidder should so state.
- An itemization of all materials and enclosures being provided with the Bidder's Proposal.
- Any other representations, promises and warranties as the Bidder deems appropriate and wishes to convey to DSHS.

2.2 (SR) Executive Summary

The Bidder's proposal must summarize the overall services, giving the evaluators a strong general overview of the Management, Technical and Functional proposals of the Bidder.

The Bidder's proposal must:

1. State the Bidder's ability and willingness to work cooperatively with DSHS and designees.
2. State that the Bidder agrees to comply with the procurement process described in the RFP.
3. State that the Bidder understands the scope and objectives of the project and agrees to meet the requirements specified in the RFP.
4. State that the Bidder will perform the services described in the RFP.
5. Identify and describe the system the Bidder proposes as the basis of its FADS solution.
6. State that the Bidder will comply with HIPAA and maintain HIPAA compliance throughout the term of the contract.
7. Summarize the proposed goods and services.
8. Identify any operational issues.
9. Identify any unique or innovative features.
10. Provide an overview of the risks associated with this project, critical success factors, and actions DSHS should consider during the analysis and implementation stages.
11. Explain how the proposed solution represents to DSHS the best option for its FADS and why DSHS should select the proposed solution.
12. Describe specific staff that will be dedicated to this project and their contributions to past initiatives and successes.

2.3 (SR) Design, Development and Implementation (DDI) Methodology

The Bidder's proposal must:

1. Identify and describe a proposed Design, Development and Implementation methodology for the project.

2. Define the roles and responsibilities, including those of non-Bidder resources (e.g., state, providers) related to the recommended DDI methodology and who will fill those roles and responsibilities.

3. Explain the benefits of the recommended DDI methodology for DSHS.

2.4 (SR) Project Management Approach

In addition to the Apparently Successful Vendor's personnel and subcontractors, the project team consists of managers and staff from DSHS and oversight consultation from independent quality assurance staff. The DSHS FADS Project Manager has day-to-day project management responsibility for this DSHS project and is supported by the DSHS FADS Project Director, co-executive sponsors and an Executive Steering Committee. Refer to Section 1.5.1 for an overview of the project organization.

The Bidder's proposal must:

1. Based on knowledge of and experience with similar FADS projects, describe the overall project management approach, including but not limited to planning, organizing, and managing the staff and activities throughout the life of the project, to ensure the smooth administration of the project.

2. Explain with specificity the Bidder's approach to promoting teamwork, facilitating open and timely communication, and ways the Bidder's staff will support a collaborative effort among the Bidder, any subcontractors, DSHS and DSHS designees.

3. Agree the Bidder will either conduct internal quality assurance (QA) or will retain an independent firm to conduct quality assurance, and that the Bidder will provide to DSHS any quality assurance reports that are produced during the project. The Bidder's QA activities will focus on the development, integration and implementation of the FADS including the algorithms and models.

4. Describe how the Bidder will coordinate efforts with the DSHS FADS Project Manager to address multiple stakeholder needs.

5. Describe what sets the Bidder's solution apart from the competition and what makes it the best approach for DSHS' new FADS.

6. State that the Bidder will provide overall management of the Bidder's proposed solution.

2.5 (SR) Project Management Processes

The Bidder must describe its project management processes in specific detail sufficient to support each component identified in sections 2.5.1-2.5.5. See Section 2.9.2 for deliverables related to this section that will be required during the Planning and Start-up Stage.

2.5.1 (SR) Risk Assessment and Mitigation Requirements

The Bidder's proposal must:

1. Describe an overall approach to risk management and mitigation for the project.

2. Describe the Bidder's process for documenting and reporting risks and risk status to DSHS.

3. Identify potential risks currently foreseeable to the Bidder for this engagement, rank in order of highest risk and identify recommended steps to mitigate those risks. Assess any risk of failing to meet the implementation deadline.

4. Identify and describe the Bidder's proposed tool(s) to track, manage, and report risks and to facilitate the Bidder's Risk Management Plan.

5. Agree that the Bidder's proposed risk management tools and/or reports will be accessible by Bidder staff, DSHS staff, and DSHS designees.

6. Agree that the Bidder's responsibilities include development and implementation of a Risk Management Plan that identifies and mitigates risks throughout the entire course of the contract.

7. Agree that the Bidder's proposed risk management process and tools are subject to DSHS approval.

8. Explain the benefits of the recommended risk management and mitigation process to DSHS.

2.5.2 (SR) Issue Resolution Requirements

The Bidder's proposal must:

1. Describe the Bidder's approach and process for issue identification, communication, resolution, escalation, tracking, approval by DSHS and reporting.

2. Provide sample issue resolution forms and procedures the Bidder has used in other successful projects.

3. Identify and describe the Bidder's proposed tool to track, manage, and report on issues/action items and facilitate its issue resolution process that includes an automated tracking and management system.

4. Agree that the tool will be accessible by Bidder staff, DSHS staff, and DSHS designees.

5. Explain the benefits of the Bidder's issue resolution approach.

6. State that the Bidder's proposed issue resolution process addresses the entire course of the contract.

7. Agree that the Bidder's proposed issue resolution process and tools are subject to DSHS approval.

2.5.3 (SR) Change Control Requirements

Controlling scope and providing for changes to the Deliverables or Services resulting from changes in federal or state laws, regulations, rules, policies, new fraud and abuse detection methodologies or other factors is extremely important to DSHS in maintaining project accountability.

Excluded from Change Control

During DDI, Contractor shall provide all DDI Deliverables and Services in accordance with in the RFP, Response and the Contract within the DDI Fixed Price identified in the Contract. During the Operations and Maintenance period(s) of the Contract, the Contractor shall provide all Maintenance and Operations Deliverables and Services in accordance with in the RFP, Response, and the Agreement within the Maintenance and Operations Fixed Price identified in the Contract. Maintenance and Operations Services which shall be provided to DSHS at no additional cost, are included within the Operations and Fixed Price and shall include but not limited to:

- Providing all necessary resources and personnel to perform the Operations and Maintenance Services; Sustaining the level of services;
- Developing and providing DSHS with all models and algorithms and other Deliverables and Services subsequently agreed upon by the Contractor and DSHS in an Annual Business Plan;
- Performing all Deliverables and Services necessary to meet the 3:1 ROI; and
- Correction of any Deficiencies in the System or Services and upgrades to the System.

Change Control

During the life of the Contract and in accordance with Section 16 thereof, DSHS may at any time issue a written Change Request to modify, delete, or add to the Deliverables or Services, in whole or in part if the Change Request is within the scope of the Contract and does not exceed the Contingency amounts identified for potential Change Orders under the Agreement.

In an abundance of caution and not by way of limitation, the definition of Change Request does not apply to any changes Contractor already is obligated to provide under the Agreement, including without limitation changes to correct Deficiencies and changes to the System as part of the Operations and Maintenance Services identified in Section 14 of the Agreement. Operations and Maintenance Change Requests may be used for, among other things:

- System changes.

- Special projects, training or other services required by DSHS.

- Additional algorithm and model development, provider relation services and required subject matter expertise that are not included in the Annual Business Plan.

During the life of the Contract, DSHS may, at any time by issuing a written Change Request, request changes within the scope of the Contract. Such changes may include, without limitation, revisions to Deliverables or Services.

Under the terms and conditions of the Agreement, the Contractor shall perform Change Orders that have been executed between DSHS and Contractor.

The Bidder's proposal must:

1. Describe both graphically (e.g., via a flowchart) and in text a recommended approach to change control, including steps, roles and responsibilities, and decision points.

2. Describe the Bidder's process of estimating the hours required and the impact – if any – for scheduling and fulfilling Change Requests that are included in the maintenance and operations budget.

3. Describe the Bidder's process of estimating the hours required, costs (see Appendix III – Cost Proposal) and the impact – if any – for scheduling and fulfilling Change Requests that are included in the one-thousand (1,000) hours for additional services listed above.

4. Provide sample change control forms and procedures that the Bidder has used in other successful projects.

5. Agree that execution of a Change Order between DSHS and Contractor is mandatory for every change before the Bidder begins development of that change.

6. Agree in the proposed change control process that the Bidder will provide DSHS with justification of every change suggested by the Bidder.

7. If DSHS and Contractor are unable to reach an agreement in writing within 15 Days of Contractor's response to a Change Request, the DSHS Project Director may make a determination of the revised price and Schedule, and Contractor shall proceed with the work according to such price and Schedule which shall be included in the resulting Change Order, subject to Contractor's right to appeal the DSHS Project Director's determination of the price and/or Schedule to the dispute resolution process identified in the Agreement. Nothing in this Section shall in any manner excuse Contractor from proceeding diligently with the Agreement as changed by the Change Order.

8. Identify and describe the Bidder's proposed tool(s) to track, manage, and report on change control items that facilitate the Bidder's change control approach, including an automated tool that tracks history in a database. History must include the estimate and actual cost and duration for every change request as well as cumulative cost and schedule impacts for all changes for all periods DSHS specifies.

9. Agree that the Bidder's proposed change control tools will be accessible by the Bidder, DSHS and DSHS' designees.

10. Describe steps for updating the work plan for changes identified during DDI and approved by DSHS.

11. Explain the benefits of the recommended change control approach for DSHS.

12. Agree that the Bidder will meet all change control requirements throughout the term of the contract.

13. Agree that the Bidder's proposed change control process and tracking tools are subject to DSHS approval.

2.5.4 (SR) Communication and Coordination Requirements

There is a large and diverse stakeholder group both internal to DSHS and external to DSHS, at both the state and federal levels, in the FADS Project. To better understand the diverse stakeholders of the FADS Project, see section 1.5. – Project Organization and Schedule. Within this context, the Bidder's proposal must:

1. Describe the Bidder's approach to working with DSHS to facilitate communication and coordination, including stakeholder management, and the Bidder's proposed tools to facilitate its approach.

2. Discuss how the Bidder has assisted other customers with stakeholder management, including an identification of the groups with whom the Bidder has worked and the resulting outcomes.

3. Agree that the Bidder will actively participate with FADS Project Manager to ensure effective communication and coordination within the project, including Bidder staff, subcontractor staff, DSHS and other stakeholders within and external to the agency, including providers/associations.

4. Agree that the Bidder's proposed Communication and Coordination process is subject to DSHS approval.

2.5.5 (SR) Problem Management/Resolution Requirements

The Bidder's proposal must:

1. Explain with specificity the Bidder's recommended approach to problem management and fully identify integration tools and techniques.

2. Agree that the successful Contractor must provide and implement trouble-shooting tools that will diagnose problems with services, equipment, software and data communications network components of the project environment. Problems include those that occur among components on the same platform, as well as problems that occur among different platforms.

3. Agree that Bidder is responsible for all components of Bidder's proposed solution.

4. Describe the metrics Bidder will use to measure the success of its efforts.

2.6 (MR/SR) Bidder Qualifications

2.6.1 (MR) General Bidder Information Requirements

The Bidder's proposal must:

1. (MR) Identify the name, address, principal place of business, and telephone number of the legal entity to be named as a party to the contract.

2. (MR) Identify Bidder's Federal Employer Identification Number (FEIN) and Washington State Uniform Business Identifier (UBI) Number (If currently registered).

3. (MR) Commit Bidder to registering with the Washington State Department of Revenue, if Bidder is not already registered, within 30 days of being named the Apparently Successful Vendor (ASV) or before the resulting contract is signed, whichever occurs first.

4. (MR) Commit Bidder to collect, report and pay all applicable state taxes if selected as the Apparently Successful Vendor.

5. (MR) Identify the name, address and telephone number(s) of the Principal Officers or Owners of Bidder's company/corporation.

6. (MR) Identify the legal status (e.g., registered corporation, partnership, etc.) of the Bidder and the year the entity was established.

7. (MR) Identify and describe any merger or acquisition in which the Bidder is involved or may become involved during the period of this contract.

8. (MR) Identify every contract or portion thereof to which the Bidder is/was a party or to which the Bidder is/was associated with a party as a subcontractor or partner that has been terminated in whole or in part in the last five (5) years and provide full details regarding such termination, including: a statement of the problem; a client contract name, address and telephone number; the Bidder's position on the matter; and the ultimate disposition of the matter or, if the matter has not yet been resolved, a detailed description of the current status of the matter. Further, provide any notices Bidder has received of breach from any government agency, as well as any notice of termination on any project, even if the termination did not occur, such as due to curing the breach or another result. Further, agree that failure of the Bidder to fully disclose all information asked for in this requirement subjects the Bidder to immediate disqualification from the procurement process or, if such failure is discovered after contract formation, grants DSHS the right to rescind the contract at its sole discretion.

9. (MR) Identify all litigation in which the Bidder has been involved in the last five (5) years regarding a project and provide details regarding each litigation, including: jurisdiction of the litigation; a statement of the problem; a client contact name, address and telephone number; the Bidder's position on the matter; the ultimate disposition of the matter or, if the matter has not yet been resolved, a detailed description of the current status of the matter; and the case name and cause or docket number if a case was filed. Further, agree that failure of the Bidder to fully disclose all information asked in this requirement subjects the bidder to immediate disqualification from the procurement process or, if such failure is discovered after contract formation, grants DSHS the right to rescind the contract at its sole discretion.

10. (MR) Identify all federal debarments that have been directed at the Bidder or any entity with which the Bidder is proposing a relationship. Further, agree that failure of the Bidder to fully disclose all information asked for in this requirement subjects the Bidder to immediate disqualification from the procurement process or, if such failure is discovered after contract formation, grants DSHS the right to rescind the contract at its sole discretion.

11. (MR) Provide similar and separate information for the Bidder and every proposed subcontractor in response to all Section 2.6.1 requirements.

2.6.2 (MR) Financial Solvency Requirements

Bidders must demonstrate financial solvency. The Bidder's proposal must:

1. (MR) Agree that DSHS may conduct an independent check on financial solvency through the DSHS Financial Services Administration (FSA).

2. (MR) Agree that if financial solvency is not demonstrated to DSHS' satisfaction, DSHS may, at its sole discretion, disqualify Bidder's organization from participation in this procurement.

3. (MR) Include a completed Appendix II – Financial Information, Representations, and Disclosures form.

4. (MR) Provide similar and separate information for the bidder and every proposed subcontractor in response to all Section 2.6.2 requirements.

2.6.3 (MR) Minimum Bidder Qualification

Prior to evaluating written proposals, DSHS will determine, in its sole discretion, whether Bidder meets all of the Minimum Bidder Qualifications, and at its sold discretion, may disqualify any Bidder who does not meet (in DSHS' opinion) the Minimum Qualifications. This section of the Bidder's response may be the only section reviewed by DSHS in determining whether the Bidder meets Minimum Bidder Qualifications and the remainder of the RFP response will or will not be scored by DSHS.

The Bidder must meet the following Minimum Bidder Qualifications identified in this Section 2.6.3. Bidder's proposal must demonstrate and describe to DSHS' satisfaction:

1. The Bidder must have experience in implementing an advanced fraud and abuse detection system. Bidder's proposal must demonstrate and describe to DSHS' satisfaction the Bidder's experience in implementing an advanced fraud and abuse detection system and must identify and describe at least one (1) system that meets this requirement.

2. The Bidder must have experience in providing services and subject matter expertise, including but not limited to: fraud, waste and abuse detection and prevention using data mining techniques; identification of cost savings via either overpayment recoveries or cost avoidance; and provider relations contact and informal dispute resolution. Bidder's proposal must demonstrate and describe to DSHS' satisfaction the Bidder's experience in performing fraud, waste and abuse detection services and subject matter expertise and describe the cost savings associated with at least one (1) customer that meets this requirement.

3. The Bidder's proposed Key Staff must be experienced with implementing an advanced fraud and abuse detection system(s). Bidder's proposal must demonstrate and describe to DSHS' satisfaction that Bidder's proposed Key Staff are experienced with implementing an advanced fraud and abuse detection system(s). Identify the staff person(s), their role(s) in implementing FADS, and the state(s) where it was implemented.

4. The Bidder's proposed Key Staff must be experienced in providing services and subject matter expertise, including but not limited to: fraud, waste and abuse detection and prevention using data mining techniques; identification of cost savings via either overpayment recoveries or cost avoidance; and provider relations contact and informal dispute resolution. Bidder's proposal must demonstrate and describe to DSHS' satisfaction that Bidder's proposed Key Staff are experienced with providing services and subject matter expertise as described above. Identify the staff person(s), their role(s) in providing services and subject matter expertise, and the state(s) where the services and subject matter expertise were provided.

2.6.4 (MR) Relevant Prior Experience Requirements

The Bidder's proposal must:

1. Identify the state(s) in which the Bidder's proposed FADS is currently implemented and what fraud, waste and abuse detection services are provided.

2. Explain why this is the system and services the Bidder is proposing and the degree of fit with Washington's requirements, including the estimated percentage of Washington's requirements that the system meets without modification and the basis for that assessment.

3. Describe the Bidder's role in each engagement described above and state Bidder's level of responsibility (e.g., primary, subcontractor) for all phases of the project including requirements analysis, process design, construction, testing, final implementation, and services.

4. Clearly describe the scope and scale of those projects, including the Bidder's performance in terms of schedule and budget. Explain positive and negative variances from the schedule and budget.

5. Agree that DSHS reserves the right to contact all above client contacts and any other contacts provided by current or former clients and that this contact may be considered by DSHS in scoring the Bidder.

6. Describe the Bidder's experience in developing and operating systems on the equipment and software platforms proposed for Washington.

7. State how many years experience Bidder has managing and staffing projects with complexity and scope comparable to that required by this RFP.

2.6.5 (SR) Bidder Customer References Requirements

Scores for this section will be based on Bidder references. DSHS reserves the right to conduct checks of Bidder references, by telephone or other means, and evaluate the Bidder based on these references. DSHS considers references to be extremely important. It is the Bidder's responsibility to ensure that every reference contact is available during the evaluation period. (See Section 7.3, Activities and Schedule for the planned RFP evaluation period.)

The Bidder's proposal must:

Include a minimum of three (3) and a maximum of five (5) Bidder customer references. At least two (2) of these references must be from FADS or comparable projects. For every reference, the Bidder's proposal must provide the company name, contact name, contact job title, address, telephone number and e-mail for that reference.

1. Agree that references must be independent of the Bidder's company/corporation (e.g. non-Bidder owned, in whole or in part, or managed, in whole or in part),and include a statement that each reference meets this requirement.

2. Agree that DSHS reserves the right to contact all above customer references, and that this contact will be considered by DSHS in scoring the Bidder.

3. Agree that DSHS reserves the right to contact any other entity or person it wants to contact with regard to the Bidder, including parties in addition to those recommended by the Bidder. Further, agree that this contact may be used by DSHS in scoring the Bidder.

4. State that the Bidder has notified each client reference that they may be contacted by DSHS and has assured that each reference will be available during the evaluation period. (See Section 7.3, Activities and Schedule for the approximate RFP evaluation period.)

5. Provide similar and separate information for the Bidder and every proposed subcontractor in response to this section's requirements.

2.6.6 Minority and Women's Business Enterprise (MWBE) Information Requirements

The following **voluntary** numerical MWBE Washington certified participation goal has been established for this project:

- Minority Business Enterprises: (MBE's) or Women's Business Enterprises (WBE's): 3 – 5%

These goals are **voluntary**, but achievement of the goals is encouraged. However, unless required by federal statutes, regulations, grants, or contract terms, referenced in the contract documents, no preference will be included in the evaluation of bids/proposals. No minimum level of MWBE participation will be required as a condition for receiving an award or completion of the contract work. Proposals will not be rejected or considered non-responsive if they do not include MWBE participation. Bidders may contact the Washington State Office of Minority and Women's Business Enterprises (OMWBE) toll free at (866) 208-1064 to obtain information on certified firms for potential subcontracting arrangements.

The Bidder's proposal must:

1. Indicate if the Bidder or any of its subcontractors is a certified minority-owned and/or women-owned business. Proof of certification must be attached to the Bidder's proposal.

2. Indicate the level of MWBE participation, if applicable.

2.7 (SR) Approach to Organization and Staffing

The organization of Bidder staff and the appropriate assignment of tasks are extremely important to DSHS to ensure the overall success of this project. DSHS expects that Bidders will propose their best-qualified staff for this project. Should proposed staff not be available when work begins, Bidder must provide evidence in the form of resumes and descriptions of relevant experience for any staff proposed as alternates to the proposed team members.

2.7.1 (SR) Overall Project Approach/Requirement

The Bidders proposal must:

1. Include a description of the overall approach to project organization and staffing, including subcontractors, which addresses the entire scope of the project.

2. Include a project organization chart identifying by name and position the Bidder's Key Staff (e.g., down to at least the lead level), including subcontractors, responsible for carrying out the entire scope of the project.

3. Identify by name and position in separate text or in the project organization chart the person(s) who will for each phase:

    a. Act as the project manager.

    b. Establish and manage the work plan.

    c. Be the lead analyst(s).

    d. Be the chief architect(s) responsible for overall design.

e. Be in charge of application development.

f. Be in charge of interface development.

g. Be in charge of system testing and acceptance testing.

h. Be in charge of training.

i. Be in charge of system implementation/deployment.

j. Be in charge of provider relations.

k. Be in charge of the FADS help desk.

2.7.2 (SR) Project Management and Key Staff Qualifications Requirements

Scores for this section will be based on the proposed Project Manager and Key Staff qualifications, experience, and references. Experience and references from projects where the work performed was different than this project may not score as well as references where the work performed was similar to this project. At its discretion, DSHS will contact the Project Manager and Key Staff references.

The Bidder's proposal must:

1. Provide resumes (in lieu of responding to the requirements of Section 2.7.2 individually) that include the following information in the following order for each person identified in Section 2.7.1 above:

    a. Identify individual by name, title, roles and responsibilities on the team.

    b. Describe knowledge, skills, and abilities.

    c. Describe system development knowledge, skills, and abilities.

    d. Describe relevant equipment and software experience.

    e. Describe relevant subject matter expertise in the areas of fraud, waste and abuse detection and/or social and health care services.

    f. Describe relevant education and training.

    g. Describe experience with roles similar to that proposed for this project.

    h. Provider number of years experience in the proposed role.

    i. Describe direct experience in similar projects with:

        1. Project Planning.

        2. Project Management (for Project Manager Only).

        3. Business Area/Process Analysis.

4. System Design/Redesign.

5. System integration testing and support of user acceptance testing.

6. System Implementation.

7. Cost savings initiatives.

j. Describe experience and position on other FADS implementation projects.

k. Describe with specificity any experience in implementing the proposed FADS.

l. Include three (3) references, including reference name, company name, job title, company address, telephone number and e-mail address. References must be independent of the Bidder's organization (e.g., non-Bidder owned or managed).

2. Agree that reference information is current and accurate.

3. Demonstrate that the proposed Project Manager has the appropriate and comprehensive experience to complete this FADS implementation successfully. The Bidder's proposed Project Manager must have a minimum of five (5) years experience in managing similar projects of comparable size and complexity; two (2) years experience specific to FADS project management experience is highly desirable.

4. Demonstrate that the proposed team has the appropriate and comprehensive experience to complete the entire scope of the project successfully.

2.7.3 (SR) Project Staffing Requirements

For the purpose of this section, "Project Staff" includes all Bidder personnel and all subcontractor staff.

The Bidder's proposal must:

1. State the minimum number of Project Staff that will be assigned to this project throughout all phases of the project – including maintenance and operations. If this number will change throughout the life of the project, identify when those changes will take place and the minimum number of Project Staff that will be assigned to this project during those changes.

2. Identify where all staff assigned to this project, including developers, will be geographically located (city, state) throughout the lifecycle of the project and explain how and to what extent they will be accessible to the DSHS FADS project team.

3. For staff geographically located outside of Olympia, Washington, identify what Bidder staff will come on-site to work with stakeholders (e.g., for requirements validation, testing, and business process change) and describe in detail the tasks or phases for which they will come on-site, when and for how long.

4. Agree that all staff assigned to this project, including developers, will be geographically located within the country of the United States of America for the life of the Contract.

5. Agree that the Bidder must provide all office space and equipment for its staff.

6. Describe the process and timeline for bringing proposed staff onto the project.

2.7.4 (SR) Continuity of Project Personnel Requirements

In order to ensure the success of this project, it is important that there is a continuity of Key Staff assigned to the project.

The Bidder's proposal must:

1. Describe policies, plans and intentions with regard to maintaining continuity of Key Staff assignments throughout the performance of any Agreement resulting from this RFP.

2. Address whether availability of any of the proposed Key Staff could be impacted from existing or potential contracts to which such staff are assigned or proposed.

3. State what priority DSHS would have in cases of conflict between existing or potential contracts.

4. Discuss the Bidder's plans to avoid and minimize the impact of personnel changes.

5. Identify planned backup personnel assignments.

6. Agree that Bidder's proposed Key Staff may not be reassigned, replaced or added during the project without prior written consent of the DSHS FADS Project Manager. Should a Key Staff position be vacated, Bidder must give DSHS resumes of, and an opportunity to interview and approve, potential replacements for that individual.

7. Agree that DSHS reserves the right to require a change in successful Contractor's project personnel at the sole discretion of DSHS. Further, agree that DSHS must be given an opportunity to interview and approve potential replacements for that individual.

8. Commit to using the personnel identified in the proposal and agree to DSHS' right to approve proposed personnel changes during the term of the contract.

9. Agree that responses to Section 2.7.4 requirements apply to proposed Subcontractor Key Staff as well as Bidder's proposed staff.

2.7.5 (SR) Organization and Staffing During System Maintenance and Operations

The Bidder's proposal must:

1. Provide a project organization chart identifying by position and roles/responsibilities only (e.g. not by name) the Bidder's Key Staff (down to at least the lead level), including subcontractors, responsible for carrying out the maintenance and operations of the FADS and ongoing services after implementation in accordance with the requirements of Section 4.11, Maintenance and Operations.

2. Agree to DSHS' right to approve proposed personnel for maintenance and operations during the term of the contract.

2.7.6 (SR) Maintenance and Operations

The successful Vendor shall perform maintenance and operations throughout the life of the implemented FADS contract at no additional cost to DSHS beyond the negotiated annual maintenance and operations contract costs. This is to include but not be limited to the following:

- Updates, patches and repairs to components of the production, test and all other Washington accessible environments including but not limited to:
    - Equipment
    - Operating systems
    - Database systems
    - Application and other software
    - Utilities for systems, database, software, communications
    - Voice and data communications lines
    - Communications software
    - Drivers
    - Configurations
- Correction (including development, testing, training and implementation) of any of the following:
    - Deficiency or problem with the application functionality of the System.
    - Deficiency or problem with the functionality developed or implemented specifically for Washington.
    - Deficiency or problem with the functionality of subsequent System enhancements.
- All services within the entire scope of the project, such as but not limited to: algorithm and model development, provider relations/documentation review, expertise in Medicaid and fraud, waste and abuse prevention and detection continuing to develop ways to identify program vulnerabilities and cost savings; reports and special project development.

The Bidders Proposal must:

1. Describe the Bidder's approach to systems maintenance and operations and agree that the tasks identified above will be included as part of the proposed fixed price for maintenance and operations as identified in Appendix III – Cost Proposal Form.

2. Describe Bidder's approach for promoting approved changes from test environment to production environment.

3. Describe Bidder's process for dealing with emergency fixes. Include how Bidder's fix will be tested and promoted through test environment to production.

4. Describe the Bidder's approach to continuing services provided for the entire scope of the project and agree that the services will be included as part of the proposed fixed price for maintenance and operations as identified in Appendix III – Cost Proposal Form.

2.7.7 (SR) Contract Management

DSHS will expect the Apparently Successful Vendor to not only meet the minimum qualifications in order to bid on this RFP but to agree to maintain acceptable standards for the duration of the contract (up to five (5) years from the date of contract execution.

The Bidder's Proposal must:

1. Agree that the Bidder will continue to provide ongoing training to DSHS staff, as described in response to Section 2.12, Training Plan, throughout the operations phase. This includes, but is not limited to, training of new staff and training on new system functionality. Include proposed frequency and types of training.

2. Agree that the Bidder will continue to follow the Issue Resolution Process, as described in response to Section 2.5.2, Issue Resolution Requirements, throughout the operations phase or the Bidder must propose an alternative Issue Resolution Process.

3. Agree that the Bidder will continue to follow the Change Management Processes, as described in response to Section 2.5.3, Change Control Requirements, throughout the operations phase or the Bidder must propose an alternative Change Management Process.

4. Agree that the Bidder will continue to follow the Communication Coordination and Plan as described in response to Section 2.5.4, Communication and Coordination Requirements, throughout the operations phase or the Bidder must propose an alternative Communication and Coordination Process.

5. Agree that the Bidder will establish a problem resolution process including a help desk that satisfies requirements in Section 4.9, FADS Help Desk.

6. Agree that the Bidder will be responsible for maintaining FADS User Manuals and FADS Operating Procedures Manual as described in Section 2.9.5.3.

7. Agree that the Bidder will develop an Annual Business Plan and provide revisions, and monthly status reports stating progress in achieving goals established in the plan. Plan should include the following elements; an outline of major activities planned for the coming year, business improvement objectives and outcomes for the coming year, methodology for performing activities and meeting objectives, methods for measuring customer service performance, methods for identifying where customer services performance is inadequate, approach for developing and implementing corrective actions. The annual business plan will be approved by DSHS.

8. Describe the Bidder's approach for monitoring and reporting performance of the system during operations. Include metrics that will be tracked, frequency of reporting and access methods to data.

9. Agree that Bidder will walk-through performance reports at the request of DSHS.

10. Describe the Bidder's approach for transitioning to another entity at the end of the contract period. Further, agree that the Bidder will cooperate completely with DSHS and the subsequent entity including, but not limited to, data conversion, parallel testing, and system cutover.

2.8 (SR) Approach to Subcontractors

In order to achieve the best combination of experience and skill, Bidders may contract with other firms to provide improved solutions that are in the best interest of the State and the Bidder. In all instances of Bidder relationships with other parties, one Bidder must serve as the Prime Contractor and bear the responsibility for successful performance of this engagement. If any such relationships are proposed, the Bidder's proposal must:

1. Identify and describe any relationship with another party.

2. Describe in detail Bidder's management of subcontractor relationships to ensure high quality performance of all subcontractor functions.

3. Agree that any and all such relationships, including "advisors", must be subcontractors to the Bidder and that the Bidder must be the Prime Contractor.

4. Agree that, as the Prime Contractor, Bidder accepts full responsibility for successful performance of the entire Scope of Work requested in this RFP and will indemnify the State for the acts and omissions of its subcontractors.

5. Agree that DSHS has the same rights to remove subcontractor or other parties as it does Bidder staff.

2.9 (SR) Design, Development and Implementation (DDI) Requirements

The DDI tasks have been organized into the following major stages:

- Planning and Start-Up
- Requirements Verification
- Detailed Design
- Development/Unit Testing
- Integration Testing
- Interface Development/Testing
- User Acceptance Testing

Within this section, Bidders are asked to respond to the requirements of each major stage, including State responsibility, successful Vendor responsibility, proposed deliverables and milestones. Within this section, if the Bidder has a different deliverable methodology that meets or exceeds the objectives of the deliverables specified in this RFP, the Bidder must identify and describe its suggested deliverables and explain how they meet or exceed the objectives of the deliverables specified in this RFP.

2.9.1 (SR) Responsibilities

The Bidder chosen as the successful Vendor is responsible for carrying out the tasks, producing the deliverables, and meeting the milestones of each stage identified below. In addition to the identified requirements, the successful Vendor is responsible for meeting the requirements of deliverable development, review and acceptance, including walk-throughs per Section 2.10, Approach to Project Deliverables. Successful Vendor and State responsibility include, but are not limited to, the following:

State Responsibilities

- Review and acceptance of the proposed Acceptance Criteria for each deliverable prior to the Deliverable's development.

- Review Contractor Deliverables and Services, determine whether the Deliverable and Services comply with applicable specifications, and provide written Deficiencies or Acceptance to the Contractor within a mutually agreed upon number of Business Days after receipt.

- Conduct weekly status meetings with the successful Vendor to review progress against the work plan.

- Conduct bi-weekly Change Management and Work Plan review meetings with the successful Vendor.

- Review bi-weekly written status reports and bi-weekly work plan/task schedule updates.

- Monitor successful Vendor progress to task milestones.

- Work with the successful Vendor to resolve issues.

- Analyze, authorize, and add to the contract, any changes to work as described in this RFP.

Successful Vendor Responsibilities

- Propose written Acceptance Criteria for each Deliverable for DSHS review and Acceptance

- Prepare an outline and obtain acceptance from DSHS for the contents and format for each deliverable before beginning work on the deliverable.

- Obtain written acceptance from DSHS on the final deliverables for each task.

- Revise deliverables, if required, using DSHS review findings to meet content and format requirements and comply with applicable specifications.

- Report progress and status through bi-weekly status reports.

- Participate in bi-weekly work plan reviews.

- Attend weekly status meetings with the DSHS FADS Project Manager and project team members.

- Attend bi-weekly change control meetings and work plan review meetings with the DSHS FADS Project Manager and project team members.

- Provide a meeting record to include new/updated action items from all status, change control, work plan review and other regularly scheduled meetings within three (3) business days of the meeting.

- Deliver written status reports and updated work plans/schedules two (2) business days, at least forty-eight (48) hours, before the status meeting.

- Identify scope of work issues and seek DSHS acceptance before commencing changes to work described in the RFP.

The Bidder's proposal must:

1. Provide a high level schedule and overall approach to DDI (in addition to the detailed work plan identified in Section 2.11, Project Work Plan).

2. Address the following constraints in a high-level schedule in Bidder's work plan and approach to the DDI stages:

3. The successful Vendor must allow a minimum of eight (8) weeks for User Acceptance Testing unless they can demonstrate that this can be accomplished in a shorter time frame.

4. The start of Maintenance and Operations must be on or before February 2, 2010.

5. Describe the Bidder's approach to coordinating the responsibilities of the State with those of the successful Vendor to ensure overall project success.

2.9.2 (SR) Approach to Planning and Start-up

The deliverables produced during the Planning and Start-up stage will include but not be limited to:

- Revised Work Plan.
- Risk Management Plan.
- Issue Resolution Process.
- Change Control Process.
- Stakeholder Communication and Coordination Plan.

2.9.2.1 (SR) Revised Work Plan

A project work plan as described in Section 2.11, Project Work Plan is required as part of the Bidder's proposal. The work plan will be finalized and accepted as the final official Work Plan as part of the Planning and Start-up stage.

The Bidder's proposal must:

1. Describe their approach to revising the work plan. Include State and successful vendor responsibilities during this stage.

2. Agree that the final official Work Plan will be a deliverable the Contractor shall deliver to DSHS for acceptance within 30 days of contract execution.

2.9.2.2 (SR) Risk Management Plan

The Bidder's proposal must:

1. Describe Bidder's approach to developing a Risk Management Plan as described in Section 2.5.1, Risk Assessment and Mitigation Requirements. Include an outline of the plan, and describe DSHS and successful Vendor responsibilities during plan development.

2. Describe Bidder's approach to training DSHS staff regarding the Risk Assessment and Mitigation Process.

2.9.2.3 (SR) Communication and Coordination Plan

The Bidder's proposal must:

1. Describe Bidder's approach to developing a Stakeholder Communication and Coordination Plan as described in Section 2.5.4, Communication and Coordination Requirements. Include an outline of the plan and describe DSHS and successful Vendor responsibilities during plan development.

2. Describe Bidder's approach to training DSHS staff regarding the Stakeholder Communication and Coordination Plan.

2.9.3 (SR) Approach to Requirements Verification

The deliverable produced during the Requirements Verification stage is the Requirements Specification Document (RSD). The purpose of the RSD is to identify proposal requirements, validate requirements with stakeholders and to define system Acceptance Criteria. The Bidder's proposal must:

1. Describe Bidder's overall approach to Requirements Verification stage.

2. Describe Bidder's approach to gaining a detailed understanding of the Washington State Medicaid Program and Medicaid Program Integrity activities.

3. Describe Bidder's approach to verify and refine the system requirements specified in this RFP.

4. Describe Bidder's approach to demonstrating how the FADS will meet the RFP requirements.

5. Describe Bidder's approach to demonstrating any FADS system functions that were not identified as requirements in the RFP. Describe how these functions will be explained and how they will be integrated into the RSD.

6. Describe how Bidder will reach an agreed upon system design with DSHS that will address all requirements in the RFP.

7. Describe how Bidder will reach agreed upon system Acceptance Criteria with DSHS.

8. Describe how Bidder will train project and State staff to the proposed transfer system.

9. Describe Bidder's approach to addressing new requirements identified between the release of the RSD and the implementation date.

10. Describe successful Vendor responsibilities during the Requirements Verification stage.

11. Describe State responsibilities during the Requirements Verification stage.

12. Describe deliverables from the Requirements Verification stage.

13. Identify major milestones achieved through the Requirements Verification stage.

2.9.4 (SR) Approach to Detailed Design

This stage involved the development of the designs for the FADS Deliverables produced during this stage include but are not limited to:

- General Systems Design (GSD)
- Detailed Systems Design (DSD)

The DSHS FADS Project Team has established a working relationship with the DSHS Enterprise Architecture Program (EAP). The successful Vendor will be expected to follow EAP principles as defined by DSHS. The purpose of the EAP is to create and use enterprise architecture as a framework for a decision making for business, technology and information systems for DSHS. The framework is primarily made up of policies, principles, models and standards. The Enterprise Architecture framework will be utilized to make all enterprise IT decisions and all enterprise business decisions that have a significant impact on IT. Additionally, the framework may be used for enterprise decisions that don't have a significant impact on IT because it provides a common language for enterprise issue discussion and resolution.

The successful Vendor will work with DSHS to ensure that EAP design principles are followed.

The Bidder's proposal must:

1. Agree that Bidder will work with DSHS to ensure General Systems Design and Detailed Systems Design deliverables follow the Enterprise Architecture framework. (See related requirements in Section 3.1).

2.9.4.1 General Systems Design (GSD)

The Bidder's proposal must:

1. Describe Bidder's approach for developing the GSD deliverable.
2. Describe specific contents of the GSD deliverable.
3. Describe the roles of DSHS and successful Vendor staff in the development of the GSD deliverable.
4. Describe how the general design will be documented and made available to DSHS staff.
5. Describe the Bidder's process for obtaining DSHS acceptance of the General Systems Design.

2.9.4.2 Detailed Systems Design (DSD)

The Bidder's proposal must:

1. Describe Bidder's approach for developing the DSD deliverable.
2. Describe specific contents of the Details Systems Design deliverable.
3. Describe the roles of DSHS and successful Vendor staff in the development of the DSD deliverable.

4. Describe how the detailed design will be documented and made available to DSHS staff.

5. Describe the Bidder's process for obtaining DSHS acceptance of the DSD.

2.9.5 (SR) Approach to Development, Unit Testing, and System Integration Testing

The objectives of the Development/Testing State are to install, modify, and develop FADS on the successful Vendor's equipment and to perform unit, system/sub-system, and integration testing to ensure all components of the FADS perform as expected and that all RFP requirements are satisfied. In order to do this, the successful Vendor must establish its equipment, software and network environment including connection to the State network. This stage will include the design and implementation of a test environment. This test environment will contain the User Acceptance Test environment as well as specific testing requirements included in but not limited to Section 3.12, Test Environment.

Deliverables produced from this stage include:

- System Test Plans.
- System Test Results.
- System Integration Test Plans.
- System Integration Test Results.
- FADS User Manuals.
- FADS Operating Procedures.
- Test environment configuration and set-up.
- Generation of test data sets.
- Regression test guidelines.
- Test environment Procedures.
- Revised Detailed Systems Design.

The Bidder's proposal must:

1. Describe Bidder's overall approach to development and testing. Bidder must include quality assurance processes and requirements traceability.

2. Agree that the Bidder will adopt, implement and document rigorous and professionally sound unit, system, integration and regression test procedures.

2.9.5.1 System and Integration Testing

The Bidder's proposal must:

1. Describe Bidder's approach for developing Test Plans (Systems and Integration) including development of test cases and test data.

2. Describe Bidder's proposed tool and procedures for tracking, managing, and reporting system bugs discovered during testing.

3. Describe the process that will be used to correct problems in the system.

4. Describe Bidder's approach for updating documentation based on test results.

5. Describe Bidder's procedures for notifying DSHS of failures to meet requirements and other problems discovered in testing, testing progress, and adherence to the test schedule, and so forth.

6. Describe Bidder's approach to correcting problems discovered during testing.

7. Describe Bidder's approach for re-testing failed test cases after system modification. Include a description of regression test procedures.

8. Describe Bidder's approach for providing a summary of the status of testing, including frequency of reporting, numbers of problems identified by type of problem and numbers of problems corrected.

9. Describe specific deliverables from System and Integration Testing.

10. Describe how the deliverables will be documented and made available to DSHS staff.

11. Agree that the successful Vendor must provide test plans, test cases and test results from system and integration testing to DSHS for acceptance prior to beginning User Acceptance Testing.

12. Describe Bidder's approach for obtaining DSHS acceptance of system and integration test results.

Refer to Section 3.12 – Test Environment for specific testing requirements.

2.9.5.2 FADS User Manuals

As part of the Detailed Systems Design stage, the successful Vendor must develop draft versions of the FADS User Manual and FADS Operating Procedures documentation. These documents will be refined during subsequent activities but must be finalized for DSHS during User Acceptance Testing.

See Section 4.8 for specific System/User Documentation requirements.

The Bidder's proposal must:

1. Describe Bidder's approach to development of the FADS User Manual.

2. Describe contents of the FADS User Manual and proposed organization.

3. Describe how DSHS staff will be involved in the development of the FADS User Manuals including acceptance.

4. Describe procedures for maintaining the FADS User Manuals throughout the Operations stage including DSHS acceptance of updates.

5. Agree that the FADS User Manuals will be accessible on-line and that up to three (3) paper copies may be produced upon request at no additional cost to DSHS.

6. Describe Bidder's approach for training DSHS staff using the FADS User Manual as a basis.

2.9.5.3 FADS Operating Procedures

The FADS Operating Procedures Manual defines the relationships and responsibilities of the successful Vendor and the DSHS personnel for FADS operations. The operating procedures must include production control procedures, scheduled file updates and interfaces, scheduled outputs, tracking, algorithm and modeling development/publication, disaster recovery, and other procedures used to manage the daily operations of the FADS, and similar activities.

The Bidder's proposal must:

1. Describe Bidder's approach to development of the FADS Operating Procedures Manual.

2. Describe contents of the FADS Operating Procedures Manual and proposed organization.

3. Describe how DSHS staff will be involved in the development of the FADS Operating Procedures Manual including acceptance.

4. Describe procedures for maintaining the FADS Operating Procedures Manual throughout the Operations stage including DSHS acceptance of updates.

5. Agree that the FADS Operating Procedures Manual will be accessible on-line and that up to three (3) paper copies may be produced upon request at no additional cost to DSHS.

6. Describe Bidder's approach for training DSHS staff using the FADS Operating Procedures Manual.

2.9.5.4 Test Environment

The vendor test environment and the procedures for managing the vendor test environment are established in the Development/Testing stage. The vendor test environment will contain a complete, functioning copy of the most recent accepted version of the FADS software. The vendor test environment will reside in a separate system region dedicated specifically to Washington (a logical partition may be utilized). The vendor test environment is not intended for access by DSHS. See Section 3.12, Test Environment.

The Bidder's proposal must:

1. Describe Bidder's proposed Test Environment.

2. Describe Bidder's overall approach for establishing the Test Environment and Test Environment procedures.

3. Describe processes for migrating the then-most recently accepted FADS software to the Test Environment.

4. Describe specific procedures for backing up, restoring, and refreshing all permanent data stores in the Test Environment.

5. Describe processes for applying emergency fixes to the Test Environment.

6. Describe the steps necessary for authorized staff to utilize the Test Environment. Include access procedures.

7. Describe the migration process and the steps needed to move or copy software from the test environment to the production environment.

8. Describe the migration process and the steps needed to move or copy software from the test environment to the production environment.

2.9.6 (SR) Revised Detailed Systems Design

The successful Vendor must revise the Detailed System Design (DSD) to reflect changes identified during the testing process. The successful Vendor must provide updated pages to the State for review and acceptance. The Bidder's proposal must:

- Describe Bidder's approach for updating the DSD including obtaining State acceptance of amendments.

- Agree that a change log will be generated and draft DSD updates will be presented to DSHS prior to updates being formally published.

- Describe the roles of State and successful Vendor staff in updating the DSD.

2.9.7 (SR) Approach to Interface Development and Testing

The Interface Development and Testing stage will consist of the planning, development, and testing of all incoming and outgoing interfaces with the FADS. This stage will include design of an interface architecture that will simplify the interface development and maintenance process using middleware or similar technologies. This stage will also include the development of interface software, establishment of interface procedures and testing of interfaces software and procedures. The interfaces to be designed and developed will facilitate communication between the ProviderOne Data Warehouse and data from the Department of Health, DSHS Economic Services Administration's Barcode as well as other data sources (See Section 3.7: Additional Data Sources). The Interface Development and Testing stage will demonstrate, through comprehensive testing that all required data inputs and outputs are functioning as designed and all interface requirements are satisfied. The deliverables for the Interface Development and Testing state include:

- Interface Architecture including the technologies and methods employed for developing interfaces.

- Detailed Requirements for each Interface.

- Operational Procedures for each interface including interface method (e.g. FTP, Web Services Request, etc.) frequency, timing, etc.

- Interface Test Plans and Results.

The Interface Development stage must address development of all interfaces and satisfy all requirements identified in Section 3.14, Interfaces.

The Bidder's proposal must:

1. Describe Bidder's approach to developing an interface architecture including proposed tools (e.g. middleware) and methods.

2. Describe Bidder's approach to defining detailed requirements for each interface and obtaining DSHS acceptance of requirements.

3. Describe how DSHS staff will participate in the interface requirements definition.

4. Describe Bidder's approach to the development of interface operational procedures.

5. Describe Bidder's approach for developing interface test plans including development of test cases and test data.

6. Describe procedures for tracking and correcting deficiencies discovered during testing.

7. Describe procedures for notifying DSHS of: problems discovered in testing progress and adherence to the test schedule.

8. Describe how test results will be provided to DSHS for review and acceptance.

9. Describe Bidder's approach to reporting progress and problems with interface testing.

10. Describe how the successful Vendor will obtain DSHS acceptance for completed interfaces.

11. Describe the role of State and the successful Vendor staff during interface development and testing.

2.9.8 (SR) Approach to Data Transfer from Current Program Integrity Databases

The Data Transfer stage will consist of planning, developing, testing and coordinating data and file transfers required to support the operation of the new FADS. Current data will transfer from Provider Relations, Case Tracking, Audit Program and the Double Recovery database and may include necessary transformation of some legacy fields to move from current Program Integrity data to the new FADS subsystems.

- Provider Relations is the current DSS system used to track hearing status and adjustments to PRP overpayments resulting from algorithm activities.

- Case Tracking is the current DSS case management system used by many units to assign, track, resolve and manage cases and leads.

- Audit Program is the current stand alone application that contains universe and sample data. It also allows auditors' finding annotations. The program determines extrapolated overpayment amounts, etc. and produces audit finding report spreadsheets.

- Double Recovery Database identifies claims that have already been recovered or included in prior audits.

The Data Transfer stage will include the development of a Data Transfer Plan and procedures for transfer and testing. The Data Transfer stage will demonstrate, through comprehensive testing that all data required to support FADS functionality will be available and accurate. The deliverables for the Data Transfer stage include:

- Data Transfer Plan
- Data Transfer Procedures
- Data Transfer Testing Plan
- Data Transfer Testing Results

The Data Transfer stage must address the transfer of all data necessary to meet all functional specifications and requirements in this RFP.

The Bidder's proposal must:

1. Agree that the Bidder will transfer all data necessary to support the operation of the new FADS.
2. Describe Bidder's approach to developing a data transfer plan as a deliverable and obtaining DSHS acceptance for the plan.
3. Describe Bidder's approach to defining transfer requirements, including identifying data sources for all sub-systems and obtaining DSHS acceptance of requirements.
4. Describe how DSHS staff will participate in the transfer requirements definition process.
5. Describe Bidder's approach to the development of data transfer procedures.
6. Describe Bidder's approach for developing data transfer test plans including development of test scenarios and test data.
7. Describe procedures and timelines for tracking and correcting deficiencies discovered during testing.
8. Describe procedures for notifying DSHS of problems discovered in testing, testing progress and adherence to the test schedule.
9. Describe how test results will be provided to DSHS for review and acceptance.
10. Describe Bidder's approach to reporting progress and problems with data transfers.
11. Describe how successful transfer results will be reported to DSHS for acceptance.
12. Describe the roles of State and successful Vendor staff during data transfer.

2.9.9 (SR) Approach to User Acceptance Testing

The User Acceptance Testing (UAT) stage is designed to demonstrate that the FADS, as installed by the successful Vendor, meets DSHS specifications, performs all processes correctly, and passes Acceptance Criteria identified during requirements verification.

Bidders must allow a minimum of eight (8) weeks for User Acceptance Testing unless they can demonstrate that this can be accomplished in a shorter timeframe. UAT is designed to ensure that all

FADS functions are tested by users including but not limited to, proper functioning of all technical and functional requirements. See Sections 3 and 4.

UAT also offers the opportunity to test User Manuals, forms, procedures and business processes. All FADS functionalities will be tested. UAT will be conducted in a controlled and stable environment as identified in the Test Environment requirements. These tests may utilize all of, or selected parts of, the preliminary converted files. Deliverables from the UAT stage include but are not limited to:

- User Acceptance Test Plan (developed by DSHS).
- User Acceptance Test Cases (developed by DSHS).
- User Acceptance Test Results Document.
- A FADS that passes all Acceptance Criteria.

DSHS will be responsible for developing the UAT Plan and User Acceptance Test Cases. DSHS will also identify the schedule for user acceptance test cycles and delivery of output. The successful Vendor will be responsible for the maintenance and operation of the UAT environment, ensuring that a current, thoroughly tested UAT environment is available at all times and developing the User Acceptance Test Results Document.

The Bidder's proposal must:

1. Agree that the Bidder will fully and promptly cooperate with DSHS in the UAT process.
2. Agree that Bidder will be solely responsible for making changes; providing refinements and/or upgrades; providing software, equipment, programming, and professional and/or technical services as may be necessary to correct any deficiencies, problems, failures, incompatibilities, and/or errors identified during UAT.
3. Agree that Bidder will provide a separate User Acceptance Test environment for the entire UAT period as well as the operations period of the contract.
4. Describe Bidder's approach to supporting UAT. Include availability of UAT environment, preparation of test data, response to discrepancies and resolution of problems.
5. Agree that Bidder will make available all User Acceptance Test documentation including files and reports necessary to validate test results. These test results will be made available to DSHS no later than one (1) working day following execution of test cases.
6. Agree that Bidder will provide regular reports during UAT to include problems identified, description of problem, type of problem, corrective steps taken, resolution of problem, etc. At the end of UAT, Bidder will provide an Acceptance Test Results document that will include the information above as well as problems outstanding at end of UAT period, impact of outstanding problem on operation, and cumulative impact of problems.
7. Describe Bidder's approach for obtaining DSHS acceptance of Acceptance Test Results Document.
8. Describe the support that will be provided to DSHS for creation of test cases that cover all system functions, processes and interfaces.
9. Describe the Bidder's approach for supporting DSHS staff in the analysis of test results.

10. Describe the process and timelines for correcting discrepancies and ensuring corrections are thoroughly tested and migrated to the UAT environment for re-testing.

11. Agree that the Bidder will perform regression testing during UAT. Further, agree that the Bidder will coordinate with DSHS on timing of regression tests.

2.10 (SR) Approach to Project Deliverables

The Bidder must identify its approach to developing and submitting the project deliverables identified in this RFP. The approach to project deliverables must identify the proposed steps in the deliverable development process, from development of outlines, templates, and Acceptance Criteria through review, finalization and acceptance. Additionally, Bidders must clearly identify successful Vendor and state responsibilities during the project deliverable process.

Bidder proposals must:

1. Describe the Bidder's general approach to deliverables development Acceptance Criteria, draft submission, revisions, and final acceptance.

2. Commit to producing deliverable outlines or templates for DSHS acceptance before work begins on the deliverable.

3. Agree that deliverables must comply with all applicable specifications as developed during Requirements Verification (see Section 2.9.3) and Detailed Design (see Section 2.9.4).

4. Include a full list of all deliverable titles and expected delivery dates.

5. Commit to submitting draft deliverables to the DSHS FADS Project Manager with adequate agreed upon review periods before distribution to a wider stakeholder audience.

6. Agree that all deliverables (draft and final) will be presented in electronic format with a cover letter specifying that the successful Vendor's project manager and quality assurance team have fully reviewed the deliverable and that it is ready for DSHS review because it meets all the deliverable requirements.

7. Agree that upon DSHS request, the successful Vendor will prepare up to three (3) paper copies of any deliverable.

8. Commit to storage of all deliverables in a common electronic repository that contains an index and location of all current and historical deliverable documents, and to provide on-line access to the repository for both the successful Vendor and DSHS staff at any time.

9. Agree that the successful Vendor will incorporate comments and distribute revised draft deliverables identified by DSHS stakeholders for review and comment.

10. Agree that the successful Vendor will include a change log specifying the section, page number and brief description of any changes with the submission of a revised deliverable.

11. Agree that upon DSHS request, the successful Vendor will conduct formal walk-throughs of draft deliverables with identified DSHS stakeholders.

12. Agree that the successful Vendor will ensure adequate review periods commensurate with the length, content and complexity of any deliverable.

13. Commit to storing all written DSHS acceptance letters in electronic format in the common deliverable repository, and that the repository will be accessible to DSHS and successful Vendor at all times.

14. Clearly identify successful Vendor and state responsibilities in the deliverable review process.

15. Describe the Bidders approach to version control and tracking of deliverables, including use of automated tools.

16. Incorporate the tasks and milestones related to each deliverable in the Work Plan required in Section 2.11, Project Work Plan, including state and successful Vendor tasks.

2.11 (SR) Project Work Plan

Maintaining an accurate Work Plan and Schedule is critical to the success of any large IT Project. Keeping a structured work plan that facilitates tracking of the stages, activities, tasks, and implementation phases required to deliver the FADS is critical to the success of the FADS implementation. The ability to identify, discuss and report on the critical path of the project is required. The final Work Plan shall be comprised of Contractor's Work Plan in the Response, as revised by Contractor with assistance of DSHS, to reflect Project changes since Contractor's initial submission. The Work Plan shall provide detailed information, in a Microsoft Project (Version 2003 or later) document as described in this RFP Section 2.11, including but not limited to tasks, Deliverables, Schedule, task dependencies, identification of resource requirements, and Payment Schedule. The Work Plan shall be inclusive of the mutual expectations and work to be performed by DSHS and Contractor in order to complete the Project successfully. Contractor shall deliver the revised Work Plan to the DSHS Project Manager for DSHS' review within 30 days after the Effective Date of the Agreement. In the event of failure of the parties to agree upon this Work Plan and/or of DSHS to give its Acceptance thereof within 45 days of the Effective Date of the Agreement, DSHS may invoke its right to immediately terminate the Agreement, and, in DSHS' discretion, pursue negotiations with an alternative vendor.

The Scheduled Dates identified in the Work Plan shall comprise the dates for performance of the binding obligations under the Agreement. The Scheduled Dates shall not change as a result of Contractor performance delays or time required by Contractor to correct Deficiencies, unless otherwise agreed in writing by DSHS. However, the Scheduled Dates may, in DSHS' discretion, be extended on a day to day basis to the extent of DSHS performance delays or that DSHS' review of a Deliverable and review of corrections of Deficiencies in accordance with the Acceptance process and Acceptance Test Plan is longer than described in the Schedule.

Contractor shall provide proposed updates to the Projected Dates, Scheduled Dates, and Actual Dates for the official State maintained Work Plan regularly (no less than bi weekly) as described in this RFP Section 2.11 and as otherwise necessary throughout the Project to accurately (as practical) reflect the projected and actually occurring status of activities, tasks, events, Services. Any such update changes

must be agreed upon by DSHS prior to their final incorporation into the Work Plan as the Scheduled Dates, the Projected Dates, and the Actual Dates. However, unless otherwise specifically agreed to in writing, DSHS' agreement on a change to the official Work Plan shall not relieve Contractor of liability for liquidated damages and other damages arising from such failures to perform its obligations as required herein. By way of clarification but not limitation, unless DSHS agrees otherwise in writing, DSHS' agreement on updates to the Projected Dates, Scheduled Dates, and Actual Dates shall not relieve Contractor of liability for liquidated damages and other damages arising from Contractor's failures to perform its obligations on or before the previously agreed upon Scheduled Dates. Contractor shall maintain updated copies of its detailed work plans in a common server drive accessible by DSHS. The successful Vendor will be expected to report progress against the official work plan.

The Bidder's Response must:

1. Include a proposed Project Work Plan in electronic form using Microsoft Project 2003 or later that satisfies the requirements of this Section.

2. The Work Plan shall:
    a. Provide detailed information including but not limited to all tasks, Deliverables, Schedule, task dependencies, identification of resource requirements, and Payment Schedule for the work to be performed in order to complete the Project successfully.
    b. Be inclusive of the mutual expectations and work to be performed by DSHS and Contractor in order to complete the Project successfully. This shall include but not be limited to the stages identified in this RFP and the activities listed in Section 2.10.
    c. Show sufficient sub-task levels so that no lowest-level task requires longer than 2 weeks to complete.
    d. Identify Scheduled Dates for task and activity start and completion dates and for each Deliverable: delivery, DSHS review and Acceptance or deficiency identification, Contractor deficiency correction, and DSHS review of corrected Deliverables.
    e. Identify all proposed resources by ID number and title/position. Include a separate listing of resource ID numbers with corresponding names of Bidder's staff.
    f. Show tasks requiring DSHS resources, summarize the proposed use of DSHS resources, and state any assumptions regarding anticipated involvement of these resources. Further, agree that it is Contractor's obligation to identify its task dependencies on DSHS resources or tasks, and Contractor retains the final responsibility for performance of its obligations including without limitation the quality of the deliverables.
    g. Show task and individual time assignments and schedules in a Gant type chart.
    h. Provide a critical path diagram showing all significant tasks/activities and inter-dependencies.

3. Final Work Plan. The final Work Plan under the Agreement shall be comprised of Contractor's Work Plan in the Response, as revised by Contractor with assistance of DSHS to reflect Project changes since Contractor's initial submission, once it receives Acceptance by DSHS. The Bidder's Response must:
    a. Commit Bidder to delivering the final Work Plan to DSHS no later than 30 Days after contract execution and obtaining DSHS Acceptance no later than 45 days after contract execution.
    b. Agree that in the event of failure of the parties to agree upon this Work Plan and/or of DSHS to give its Acceptance thereof within 45 days of the Effective Date of the

Agreement, DSHS may invoke its right to immediately terminate the Agreement, and, in DSHS' discretion, pursue negotiations with an alternative vendor.

c. Agree that the finalized Work Plan becomes shall be incorporated in the Contract upon its Acceptance by DSHS.
d. Describe how the final Work Plan will be created including specific estimating guidelines for project planning.

4. Updates. The Bidder's Response must:
   a. Agree that the Scheduled Dates identified in the Work Plan shall comprise the dates for performance of the binding obligations under the Agreement. The Scheduled Dates shall not change as a result of Contractor performance delays or time required by Contractor to correct Deficiencies, unless otherwise agreed in writing by DSHS. However, the Scheduled Dates may, in DSHS' discretion, be extended on a day to day basis to the extent of DSHS performance delays or that DSHS' review of a Deliverable and review of corrections of Deficiencies in accordance with the Acceptance process and Acceptance Test Plan is longer than described in the Schedule.
   b. Agree that Contractor shall provide proposed updates to the Projected Dates, Scheduled Dates, and Actual Dates for the official State maintained Work Plan regularly (no less than bi weekly) as described in this RFP Section 2.11 and as otherwise necessary throughout the Project to accurately (as practical) reflect the projected and actually occurring status of activities, tasks, events and services.
   c. Agree that any such update changes must be agreed upon by DSHS prior to their final incorporation into the Work Plan as the Scheduled Dates, the Projected Dates, and the Actual Dates. State that the Bidder understands that the state will maintain the official Work Plan used to report project progress and status, and will only incorporate those updates to the Projected Dates, Scheduled Dates, and Actual Dates proposed by the Contractor with which state agrees accurately reflect the projected and actually occurring status of activities, tasks, events and services.
   d. Agree that unless otherwise specifically agreed to in writing, DSHS' agreement on a change to the official Work Plan shall not relieve Contractor of liability for liquidated damages and other damages arising from such failures to perform its obligations as required herein. By way of clarification but not limitation, unless DSHS agrees otherwise in writing, DSHS' agreement on updates to the Projected Dates, Scheduled Dates, and Actual Dates shall not relieve Contractor of liability for liquidated damages and other damages arising from Contractor's failures to perform its obligations on or before the previously agreed upon Scheduled Dates. Contractor shall maintain updated copies of its detailed work plans in a common server drive accessible by DSHS.
   e. Agree that the Contractor must meet with DSHS every two weeks to walk-through proposed updates to the official Work Plan maintained by the state.

5. Contractor's Detailed Work Plans. DSHS expects that the Contractor shall maintain detailed work plans throughout the Project upon which it bases its proposed updates to the final official Work Plan maintained by DSHS. The Bidder's Response must:
   a. Agree to maintain Bidder's detailed work plan(s) and publish those detailed work plan(s) and updates to a common drive to which the Bidder, DSHS, and DSHS designees have access.
   b. Describe what project management tools, if any, will be used by the Bidder to maintain their detailed work plans.

2.12 (SR) Training Plan

One of the factors for initiating this RFP is to give the users and stakeholders the most up-to-date technology and tools to perform their job functions. In order for them to take advantage of this technology, it is important that a comprehensive training plan be established that will address their training needs not only during initial implementation but over the life of system use.

The Bidder's proposal must:

1. Include a training calendar that will detail how the Bidder will provide hands-on and face-to-face training for up to 200 users no earlier than 30 days prior to initial implementation.

2. Training classes will not exceed twelve (12) participants.

3. At a minimum, ten (10) days of training are allocated annually for training for new staff or staff needing a review of the system as needed.

4. Training classes will include the use of the most current training manuals, techniques and training aids (e.g. quick sheets, tutorials, online help, etc.)

5. Describe how the Vendor will provide initial and ongoing end-user training. All users need to be trained prior to getting permission to log onto the system. Training is hands on, occurring as needed (job rotation, etc.), so that the designated FADS staff can use the system.

3. Technical Requirements

Bidders must respond to the requirements below in accordance with Section 7, Bidder Instructions. Section 7.4.5, Proposal Format Instructions includes instructions on filling out each cell within the requirement tables below.

3.1 (SR) General Technical Requirements

The technical requirements apply to the core FADS functionality of the system to be developed or provided by the vendor and implemented by the State. The technical characteristics of the new system are required to be consistent with the State's emerging enterprise architecture principles as briefly outlined below.

DSHS has an agency-wide enterprise architecture that will include policies, principles, reference models and standards that guides agency decisions and investments. The enterprise architecture encourages:

- Component based design around natural clusters of business functionality and data which gives the agency maximum flexibility to upgrade or replace components in the future or expose components for use by other parts of DSHS or the State.

- The ability to support interoperability and integration across the agency's portfolio of systems which may require integration with agency level reference systems.

The ability to meet current and future Medicaid Information Technology Architecture (MITA) and other external architecture requirements. The MITA standards can be found at http://www.cms.hhs.gov/MedicaidInfoTechArch/

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.1.1	Describe your approach to system architecture describing and illustrating proposed applications and their interactions and data exchanges, network connectivity between major equipment components and connectivity.				
Response:					

3.2 (SR) Standard

The State currently operates its computer system in compliance with many technological and operational standards. These standards originate from internal development, industry best practices and governmental mandates. All applications proposed by the successful Vendor must operate in compliance with these standards and practices.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.2.1	The Bidder must provide DSHS with an inventory of all equipment and software that will be utilized.				
Response:					
3.2.2	Any user interfaces must be GUI-based and fully compatible with the State's standard desktop operating systems and web browsers. Currently this includes Windows XP SP2 and SP3, Windows Vista SP1, Internet Explorer 6 and Internet Explorer 7. Indicate your process for remaining compatible with future releases of the server operating systems and indicate how soon after a major release your application will be compatible.				
Response:					
3.2.3	Data transfers must be compatible with the State's standard desktop products. This currently includes Microsoft Office 2003, Microsoft Office 2007, Internet Explorer 6 and Internet Explorer 7. Indicate your process for remaining compatible with future releases of the desktop operating systems and indicate how soon after a major release your application will be compatible.				

Response:					
3.2.4	Desktop components must be compatible with the State network and operate in a seamless manner. This includes compatibility with Washington State and DSHS network security and authentication requirements. In addition to compatibility with all network technology standards and network capabilities at all applicable network locations. Indicate your process for remaining compatible with future releases (server and desktop operating systems) and indicated how soon after a major release your application will be compatible.				
Response:					
3.2.5	All components installed on the desktop must be compatible with DSHS currently supported versions of third party desktop software (e.g. Java, Flash, Adobe). Indicate your process for remaining compatible with future releases (server and desktop operating systems) and indicate how soon after a major release your application will be compatible.				
Response:					
3.2.6	All equipment and network hardware and software required to interface with the State Systems must meet the State network and security standards as referenced in the DSHS Information Technology Security Policy Manual (see Appendix IV for request form)				
Response:					
3.2.7	The system must take advantage of "thin client" technology whenever possible. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.2.8	Geographic Information Systems (GIS) functionality must meet State GIS standards as referenced in the Information Services Board (ISB) Geographic Information Technology Policy and Standards Process. Policy 600-S1 http://isb.wa.gov/policies/portfolio/600S.doc; Policy 601-S1 http://isb.wa.gov/policies/portfolio/601S.doc; Policy 602-S1 http://isb.wa.gov/policies/portfolio/602S.doc.				

Response:					
3.2.9	Web applications provided to the State must satisfy the Priority 1 Checkpoints from the Web Content Accessibility Guidelines 1.0 developed by the World Wide Web Consortium (W3C), as detailed at http://www.w3.org/TR/UAAG10/				
Response:					
3.2.10	Document process for maintaining the client desktop software updates to ensure continued compatibility with the new desktop operating system patches and upgrades based upon patch management policies contained in the DSHS Information Technology Security Policy Manual (see Appendix IV for request form)				
Response:					

3.3 (MR/SR) Security

The State requires that all computer applications operate in a secure manner by complying with security standards and regulations including the DSHS Information Technology Security Policy Manual Request Form (See Appendix IV for request form). The requirements in this section emphasize some of the items in those standards and also describe various capabilities to be provided in terms of security in the FADS.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.3.1	Bidders must provide a high level description of their proposed Security offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.3.2	The bidder must detail their process to apply data level security to different transactions (create, read, update and delete) throughout the database, application and presentation layers.				
Response:					
3.3.3	The ability to define security at the data element/field; individual; user group or user role level. The bidder must detail their solution for providing field level encryption to specific data fields.				
Response:					

3.3.4	Detail your proposed application role based security. Include examples of the allowable granularity within the security tool set. Include the ability for a user to be assigned to one or more roles or groups.				
Response:					
3.3.5 3	The ability to control access to system resources based upon security rights.				
Response:					
3.3.6	The ability to control performance of system functions based upon security rights.				
Response:					
3.3.7	Access to the system must include a confidentiality notification.				
Response:					
3.3.8	Provide a copy of your employee non-disclosure of confidential information form. Explain your policy and procedures for keeping these up to date, including the on-going education/reminders that you enforce from an employee's initial employment to their departure from the company.				
Response:					
3.3.9	The system must be able to ensure that transmitted data will be protected utilizing secure communications with the latest encryption techniques. Detail your proposed transport solution and/or options for transferring files. Include how the transport solutions and/or options are secured.				
Response:					
3.3.10	The system must comply with all standards and requirements specified in the DSHS Information Technology Security Policy Manual, as well as meet all applicable Federal and State security and privacy requirements as of July 1, 2008. (See Appendix IV for request form)				
Response:					

3.3.11	Detail your proposed authentication processes for both transferring files and individual user transactions. For each instance in which authentication is required, what mechanism is used (e.g., user id, password, biometric, hard/soft tokens, certificates, etc.) If passwords are used, include your policy on the construction of hardened passwords.				
Response:					
3.3.12	Washington has established a single sign-on strategy for external state users that promotes a single face to state government through the SecureAccess Washington™ (SAW) authentication gateway. The bidder should use SAW for Authentication of users external to State Government.				
Response:					
3.3.13	If any of the DSHS services provided under this RFP are contracted out to a sub-contractor, the contract with the sub-contractor must include all of the applicable data security provisions within the successful bidder's contract, including any applicable amendments, attachments, or exhibits.				
Response:					
3.3.14	The system must be Lightweight Directory Access Protocol (LDAP) compatible so that it can interface with active directory.				
Response:					
3.3.15	The system must support Role Based Access Control (RBAC) Standards.				
Response:					
3.3.16	The ability for each user to be assigned a unique user ID and hardened password based on DSHS Security policy.				
Response:					
3.3.17	The system must be protected against viruses, worms and any other attack from external agents.				
Response:					

3.3.18	For systems hosted on servers somewhere besides the state the system must provide an Intrusion Detection System.				
Response:					
3.3.19	Detail your proposed physical security access to the proposed data center site.				
Response:					
3.3.20	The ability to segregate or distinguish DSHS data from non-DSHS data. The DSHS data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the contractor, all DSHS data can be identified for return or destruction. It also aids in determining whether DSHS data has or may have been compromised in the event of a security breach. Will the Bidder be able to segregate DSHS data from all other data? If so, explain how the segregation will occur. If DSHS data cannot be segregated from non-DSHS data, explain how it will be identified for destruction or in case of compromise.				
Response:					
3.3.21	The compromise or potential compromise of DSHS data must be reported to DSHS within one (1) business day of discovery.				
Response:					
3.3.22	When the contracted work has been completed or when the data is no longer needed, whichever is earlier, data must be returned to DSHS or destroyed in accordance with DSHS IT Security Policy Manual (See Appendix IV for request form).				
Response:					

3.3.23	Detail your proposed application and operating system logging policies and procedures. Include what type of changes are logged (e.g. failed, successful), information stored by the log entry, and procedures for long term storage of the logs.				
Response:					
3.3.24	The Bidder should detail how they will safeguard DSHS data stored on portable devices or media. Portable devices include, but are not limited to; handhelds/PDAs, Ultramobile PCs, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook computers. Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape, Zip or Jaz disks), or flash media (e.g. CompactFlash, SD, MMC). If you plan to store data on portable devices, explain which devices, the business reason, and your policies and procedures for ensuring that data stored on the portable devices is secure.				
Response:					
3.3.25	The successful Vendor must allow and cooperate with the State of Washington's periodic review to ensure that security features are continuously implemented and effective.				
Response:					
3.3.26	The successful Vendor will provide training and support to key FADS staff that will enable them to maintain the user security.				
Response:					

3.3.27	Explain how application modifications are checked during the coding process for security issues (e.g., using a tool such as WEB Inspect Developer). When modifying your applications, do you allow the use of open source code libraries? If so, what are your policies and procedures for ensuring that this open source code is secure?				
Response:					

3.4 (SR) System Tracking

The System Tracking component will allow the documentation, tracking, reporting and E-file maintenance of system changes.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.4.1	Bidders must provide a high level description of their proposed System Tracking offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.4.2	The ability to maintain a historical record of all changes made to any item within the system (e.g. data element); the ID of the person or process that made the change; before and after images of the affected data records; and the data and time the change was made.				
Response:					
3.4.3	The ability to provide a sufficient test environment for the initial and ongoing data loads, system development and upgrades. Is there a staging area to be utilized during loads?				
Response:					
3.4.4	The ability to ensure consistency regardless of the data source so that users pulling data from a variety of disparate sources will not see discrepancies in the data including field names and formats. For example – the financial data will match the corresponding data from P1. The data transformation will not introduce discrepancies between these amounts.				
Response:					

3.4.5	The ability to view, filter and sort the system audit trail.				
Response:					

3.5 (SR) Error Handling

Responsible oversight and care of the system requires that all occurrences of data loading errors be logged for review and resolution. Authorized users such as System Administrators, Database Administrators and Programmers/Analysts need to be able to query and review the error log.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.5.1	Bidders must provide a high level description of their proposed Error Handling offering including collaborative error resolution processes with the State. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.5.2	The system must ensure that all errors are written to an error log which can be monitored, viewed and archived by an administrator.				
Response:					

3.6 (SR) FADS Data Mart/View

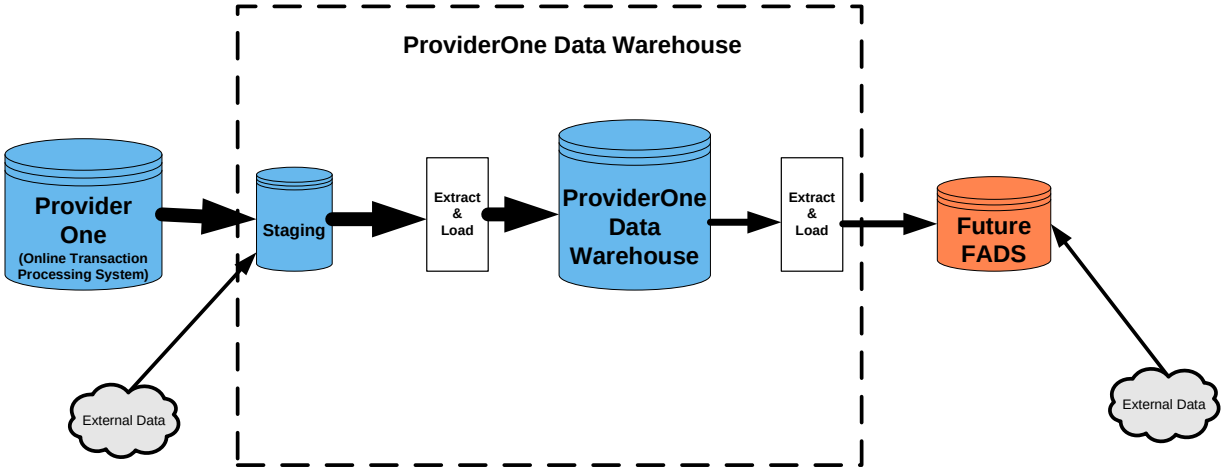
The FADS Data Mart/View serves as the single integrated source of data for fraud and abuse detection (enterprise system).

It is expected that the data will be stored in a FADS Data Mart/View either built by the vendor or built upon the existing P1DW. This FADS Data Mart/View will be populated with the highest quality of data available and will be sufficiently robust to seamlessly support all aspects of FADS.

The data to be stored will be that judged necessary for the purpose of fraud and abuse detection. The system will store claim, recipient, provider, reference, encounter, social services authorization and payment and other ancillary data in a way that allows the data to be easily accessed by the software for investigation and analysis.

ProviderOne Data Warehouse And Future FADS Data Architecture

As of October 8, 2008



Data Sources and Loading

The solution must support the ability to accept extracted data from the P1 source systems, edit the data, transform the data, and load/update the data to the FADS Data Mart/View.

The initial data will be four (4) full years of MMIS and eight (8) full years of SSPS data, plus the current partial year. It includes both paid and denied fee for service claims, financial transactions such as monthly capitated payments, accepted and rejected encounters and social service payment and authorization data. In the future, when SSPS transactions are processed by P1, the SSPS data will change from old SSPS format to new P1 data format. The Vendor will be expected to be able to accept the new SSPS P1 data format.

Current Data Storage and Size

The information below about the current storage format of the data is for informational purposes only. There is neither expectation nor intention that the successful vendor will interact with the source system in any manner.

Current legacy MMIS data is stored for online access on an Amdahl equivalent of the IBM 390 in VSAM files. Current storage size for the MMIS claims data is 43 billion bytes. About 1.2 billion bytes of claims data (2.2 million claims) are added each month. These claims are divided between capitated premium payments (600,000), institutional claims (100,000), pharmacy point-of-sale claims (900,000), and other non-institutional (600,000) payments. There are 1.3 million client records (850 million bytes) and 87,000 providers (45 million bytes). There are currently three years of history that is kept online with a small subset of the claims data kept online indefinitely. This subset is included in the sizes listed above. Additionally, 2 million encounters are processed quarterly (13 Gbyte). Total encounter data history files (30 Gbyte) in current formats.

Social Service Payment System (SSPS) data, billings and authorizations are currently stored on a UNISYS UDS/DMS 2200 (non-relational) database. Current storage size for SSPS authorizations is 322 million bytes (312,000 authorizations per month with 570,000 service lines) and 1.3 billion bytes (180,000

services paid each month) for billings. The database grows 8 to 12% each year. There are 150,000 primary recipients. Currently the payment records are kept for approximately twelve (12) months online and then stored for seven years on tape. The authorizations are kept online for as long as they are current – some have been current for over fifteen (15) years.

In addition, there are one-time Program Integrity data and applications transfers that contain: Provider Relations Data (100 Gbyte); Case Tracking (100 Gbyte); Audit Program (200 Gbyte); and Double Recovery Database (2 MB).

Data Retention

The identified MMIS data items will be retained for up to ten (10) full fiscal years plus that portion of the current year. The exception is that once-in-a-lifetime procedures are retained indefinitely.

Identified SSPS payment data items will be retained for up to ten (10) full fiscal years after payment has been made. Authorization data will be retained for up to ten (10) full fiscal years after they have expired.

Additional source information will be retained per arranged schedules.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.6.1	Bidders must provide a high level description of their proposed FADS Data Mart/View offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.6.2	The ability to accept raw or extracted data from the P1DW and edit the data, transform the data, and load/update the data to the FADS Data Mart/View. This responsibility applies to both the initial data loads and to subsequent scheduled updates to the FADS Data Mart/View. The initial import will be approximately four (4) years of MMIS claims, encounter, recipient, provider, and associated reference data and eight (8) years of SSPS data.				
Response:					
3.6.3	The ability to ensure that claims, encounter data, managed care premium claims, and other financial data will be maintained in exact amounts, in the currency format. The financial data will match the corresponding data on the original system; the data transformations will not introduce discrepancies between these amounts.				
Response:					

3.6.4	The ability to ensure data integrity for the provider, client and reference data. The data associated with the claim must accurately reflect those values that were effective on the date-of-service.				
Response:					
3.6.5	The data will need to be updated and current. The FADS Data Mart/View will be updated weekly though it is expected that some data will only be available monthly as well as other cycles. The Bidder should explain how much time will be required to update the FADS Data Mart/View. The expectation is that it will occur outside of Washington State business hours (M-F 6 am – 6 pm) in order to minimize degradation of the system from the user perspective.				
Response:					
3.6.6	The ability to retain and manage up to ten (10) years of data.				
Response:					
3.6.7	The ability to provide complete data definitions and other necessary information – including updates – which a user can access while working in the system.				
Response:					

3.7 (SR) Additional Data Sources

In the past eight years PRP has added and linked additional health care and demographic data to MMIS and SSPS data as a part of DSHS' fraud and abuse detection efforts. The CMS Enrollment Database and Department Of Health Death Certificate and Statistical data are two examples of data that has been added to the current FADS. These additional sources of data have been very beneficial for both recovery and prevention efforts related to fraud, waste and abuse. As new data needs are identified DSHS intends to continue this effort by adding additional files from additional sources.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.7.1	The bidder should describe how they would handle adding and linking new health care data sources. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					

3.7.2	The ability to incorporate and link a variety of data from state databases or other data sources such as: • Department of Health Death Certificate Data (approx 350 mb) • Barcode/ACES (Automated Client Eligibility System) (approx 250 mb) • Worker's compensation medical data (approx 40 gb) • Employment Security • State Treasurer's warrant information • Washington State Personnel Dept • PO Box, Commercial Mail Center Fraud lists • Human Resources Management System Data				
Response:					
3.7.3	The ability to share data dictionaries for these additional data sources on the system for user reference.				
Response:					
3.7.4	The ability for the state to include this linked data in queries, models, algorithms, and data mining.				
Response:					

3.8 (SR) Other Undefined Data Sources

DSHS has an interest in improving data mining efforts that will result in protecting programs and state funds. As new data sources emerge, DSHS wishes to explore incorporating these data sources.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.8.1	The bidder should describe how they would enhance the state's awareness of additional data sources and how they would handle adding other undefined data sources. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.8.2	List any data sources or data sets that are not yet included in this RFP that you have experience with and have found helpful in Medicaid FADS or other FADS efforts.				
Response:					

3.8.3	List any data sources that you have access to which can be incorporated into this Washington State FADS.				
Response:					

3.9 (SR) Backup and Recovery

The State requires the ability to create back-up copies of the FADS Data Mart/View and to restore and use those back-up copies for the basic protection against system problems and data loss. The successful Vendor must provide a comprehensive and easily manageable back-up and recovery process that is responsive to the State's needs.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.9.1	Bidders must provide a high level description of their proposed backup and recovery offering including how the system will be protected against equipment, hardware, software and human error in its operation and maintenance. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.9.2	The ability to provide a complete backup and recovery process for all database tables, system and user files – e.g. audit papers, case tracking documents, etc.				
Response:					
3.9.3	The ability to create backups on request.				
Response:					
3.9.4	The system must be able to be restored to its previous operation status within twenty-four (24) hours after initiation of the recovery process.				
Response:					
3.9.5	The successful Vendor must provide procedures for regularly scheduled backups of data.				
Response:					

3.10 (SR) Disaster Recovery and Business Continuity

Business continuity on a daily basis and in the event of a disaster is of the highest concern to DSHS. The successful vendor must ensure that single and/or multiple component failures do not disrupt services to

the State. The successful vendor must ensure continuation of services in the event of a disaster that cause the data center or communication lines to be non-functional. Escalation processes and triggers for executing predefined methods of recovery will be defined by the State in conjunction with the successful Vendor. The successful Vendor will be required to comply with this escalation process. The successful Vendor's plan for business continuity/resumption must be completed by the successful Vendor and approved by the State prior to system implementation. The successful Vendor's disaster recovery and business continuity plan must be tested in coordination with the State's testing of the State's disaster recovery and business continuity plan.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.10.1	Bidders must provide a high level description of their proposed Disaster Recovery (DR) and Business Continuity (BC) offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.10.2	Detail your proposed disaster recovery plan and procedures. This should include major details of the plan including how you determine to "declare" a disaster; the major aspects of the plan; how often the plan is tested including customer involvement; and how the plan would be implemented in the event of an actual disaster declaration.				
Response:					
3.10.3	Detail your proposed Data Protection (audit trails, backup and storage) policy and procedures.				
Response:					
3.10.4	Bidders must provide samples of Disaster Recovery and Business Continuity plans that they have done for another company.				
Response:					
3.10.5	The successful Vendor must have a Disaster Recovery Plan to ensure recovery of all system components in the event of a disaster.				
Response:					
3.10.6	The successful Vendor must perform an annual disaster recovery test demonstrating the efficacy of their Disaster Recovery Plan.				
Response:					

3.10.7	The successful Vendor must provide for system redundancy (off-site installation) to avoid system shut-down. The off-site system must be operational within one (1) week following a service disruption.				
Response:					
3.10.8	The successful Vendor will create backup copies to be stored offsite in a secure location.				
Response:					
3.10.9	The successful Vendor must provide redundancy in all critical system components such as network devices, network communication paths, processors, data storage, application files, etc. to ensure that no single point of failure will disrupt continuation of operations.				
Response:					
3.10.10	The successful Vendor must comply with and assist DSHS in updating and testing existing Security and Disaster Recovery/Business Continuity plans.				
Response:					

3.11 (SR) System Integration

User functionality and data accessibility within the FADS must be integrated and standardized across all components of the system and in all user interface characteristics. The system must not contain constraints that create artificial barriers between subsystems of functionality or various kinds of data, e.g. clients, claims, providers, reference files, benefit plans, etc.

Components of the successful Vendor's overall solution that are provided through third party business partners must be interfaced or integrated such that user terminology and data definitions are constant across the system boundaries. Data exchanges between components must be conducted real-time so that data is always in synchronicity across all systems.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.11.1	Bidders must provide a high level description of their proposed System Integration offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
	The ability to provide a FADS that has a common "look and feel" between different				

3.11.2	FADS applications (subsystems) resulting in the user experiencing a seamless FADS.				
Response:					

3.12 (SR) Test Environment

DSHS requires a test environment designed to ensure computer applications are developed and integrated as specified prior to initial implementation, as well as for upgrades and enhancements among other changes. The test environment needs to allow the vendor ability to test a single component and test a single component within the context of the system/sub-system in which it functions. System testing ensures that the entire system functions as designed after modification to a single component.

Additionally, the vendor accessible test environment must be able to test modifications within the context of the integrated systems or sub-systems. Integration testing ensures that a defined set of interconnected systems/sub-systems will perform as designed after modification to a single component.

Software will be migrated to production and changes will be implemented when the State approves the acceptance test results. Migration and authorization steps must be documented in the test procedures.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.12.1	Bidders must provide a description of their proposed Test Environment and the plans and procedures they will follow. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.12.2	Bidders must produce documentation of version control procedures, including regression testing and test cases for when new software versions are installed.				
Response:					
3.12.3	The ability to maintain the DDI test environment in a separate system region dedicated specifically to Washington.				
Response:					
3.12.4	The ability of the test environment to contain a complete, functioning copy of the most recent version of the FADS software throughout DDI.				
Response:					
3.12.5	Bidder must have a method of Bug Tracking that allows the tracking of a specific bug from identification through correction including all testing performed to ensure the correct fix is in place.				

Response:					
3.12.6	Bidder must have an approach to correcting problems and retesting. This must include a method of communicating the problem to DSHS and tracking and reporting the resolution to DSHS followed by UAT.				
Response:					
3.12.7	Bidder must produce a test plan that they have developed for another client.				
Response:					
3.12.8	The ability to have hands on training that resides outside of the production environment.				
Response:					

3.13 (SR) Network Connectivity

The State anticipates that the successful Vendor will maintain a data center external to the State data center and external to the State network. This Vendor data center will need to connect to the State's network. The State will allow the successful Vendor to place a network device inside the State Data Center's Vendor DMZ. (Appendix V – DIS Vendor DMZ Management Demarcations) The link between the successful Vendor's device in the State data center and the State's network router/switch will create the point of demarcation for the network responsibility. The successful Vendor must provide network connectivity from the Vendor data center to the Vendor network device within the State's data center. The successful Vendor will be responsible for all connectivity components and services required to connect the FADS to the State network.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.13.1	Bidders must provide a high level description of their proposed Network Connectivity offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
3.13.2	Bidder should describe availability and performance monitoring systems for their network.				
Response:					

3.13.3	Detail your proposed connectivity solution and/or options. Would the Bidder be willing to connect directly to the State of Washington via the Department of Information Services' business partner DMZ (Technical Environment – Appendix VI) This would mean working with the state staff to put a design in place that might include static IP addressing, NATs, additional firewall configurations, etc.				
Response:					
3.13.4	The successful Vendor must provide the destination IP addresses and port numbers for their connectivity solution.				
Response:					
3.13.5	The successful Vendor must provide a network device to be located in the Washington State DIS environment as the connection point between the successful Vendor's connectivity responsibilities and the State's connectivity responsibilities.				
Response:					
3.13.6	The successful Vendor is responsible for management of network connectivity from the successful Vendor equipment in the State data center to the successful Vendor's data center.				
Response:					
3.13.7	The successful Vendor applications must use fixed TCP port numbers.				
Response:					
3.13.8	The successful Vendor must secure the connection to authorized traffic only.				
Response:					
3.13.9	The successful Vendor must route only public IP addresses over the State network.				
Response:					
3.13.10	Application and connectivity must be compatible with the State's securing the traffic traversing the DIS Vendor DMZ to only authorized IP addresses and TCP port numbers.				

Response:					
3.13.11	The successful Vendor IP addresses assigned for this connection and applications must not be advertised or reachable from the public Internet.				
Response:					
3.13.12	The successful Vendor must perform and manage any network address translations required for connection to the State.				
Response:					
3.13.13	The successful Vendor is responsible for management of successful Vendor equipment in the State data center.				
Response:					
3.13.14	The successful Vendor connectivity to the State data center will be up to 1 gigabyte Ethernet. The State will manage the connectivity from the State Ethernet port to the successful Vendor Ethernet port.				
Response:					

3.14 (SR) Interface

The FADS is expected to interface with the ProviderOne Data Warehouse (P1DW) as well as other computer systems in the future. Reference Section 3.6: "Current Data Storage and Size" for an indication on the amount of data for the P1DW. Currently the interfaces are via SFTP and magnetic media exchanges. Frequencies vary from weekly to quarterly. The successful Vendor is expected to be able to replicate these interfaces using the best fit of technology available today such as on-line interactive, web services, FTP, SFTP and file exchanges on magnetic media.

The State prefers a solution that incorporates a shared interfaces component that centralizes data exchanges and reduces the number of point-to-point connections. Preference is to a solution that will accept "like data" from multiple systems and then provide a single data input into the FADS.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.14.1	Bidder must provide a high level description of their proposed Interface architecture, tools and methods. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
	The ability to exchange data with other systems using the following mechanisms: online application to application; Web				

3.14.2	services interface; FTP and SFTP; to and from magnetic media.				
Response:					
3.14.3	The bidder shall respond with an interface approach (Batch File Transfer, Web services, Queued Message Process or other). If the application is hosted within the SGN, the preferred approach is to use the MQ ESB in operation at DSHS. The ability to interface with DSHS' WebSphere MQ Service Bus if certain types of interfaces are necessary.				
Response:					
3.14.4	Bidder to describe interface test plans. Include development of test cases and resolution process if problems are found during testing.				
Response:					

3.15 (SR) Health Insurance Portability and Accountability Act (HIPAA)

HIPAA compliance with current and future privacy and security rules is a critical characteristic of the FADS.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
3.15.1	The system must comply with all current and future HIPAA privacy and security rules.				
Response:					
3.15.2	The system must comply with the implementation of HIPAA compliant privacy and security measures across all DSHS systems and business functions as they impact or interact with the FADS.				
Response:					

4. Functional Requirements

Bidders must respond to the requirement below in accordance with Section 7, Instructions to Bidders. Section 7.4.5, Proposal Format Instructions includes instructions on filling out each cell within the requirement tables below.

4.1 (SR) Audit Subsystem

The Audit Subsystem functionality is an important component of the FADS. DSHS payment integrity functionality is currently performed in a standalone software package. The FADS solution will include that functionality. When P1DW is implemented, it will be necessary for the proposed solution to interface seamlessly with an external application.

In this process, data for an Audit Universe is extracted from the P1 Data Warehouse and exported into the FADS. The Audit Universe data will then be processed through the Double Recovery database in the FADS which produces a "scrubbed universe." After the scrubbed universe is reviewed and approved, it will be imported back into the P1DW and run through a sampling program which will result in the "audit sample." After the audit sample has been produced, it will be exported back into the FADS where the data, audit/supporting documentation, case tracking notes, etc. will be maintained. The FADS will also contain the extrapolation functionality that will be used to extrapolate audit overpayments.

4.1.1 Audit Subsystem

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.1.1.1	Bidders must provide a high level description of their proposed Audit Subsystem functionality. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.1.1.2	The ability to transfer audit referral case file from case tracking system to audit subsystem.				
Response:					
4.1.1.3	The ability to prioritize and select hospitals to be audited based upon state identified criteria.				
Response:					
4.1.1.4	The ability to prioritize providers to be audited based upon state identified criteria.				
Response:					
4.1.1.5	The ability to reassign audits to different staff through the use of a graphic user interface.				
Response:					

4.1.1.6	The ability to designate audit type and support automated assignment of audit number. For example – MA-07-01 (denotes medical audit); MA – TPL – 07-01(denotes third party liability audit). Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.1.1.7	The ability to create audit specific folders containing templates (e.g. audit report, work papers, letter of intent, audit plan); auto fill audit number, provider information, type and assigned auditor.				
Response:					
4.1.1.8	The ability to control permissions given to an audit supervisor to make changes into the system – e.g. an audit number. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.1.1.9	Ability to extract appropriate source file data associated with each audit sample, to facilitate auditing activities.				
Response:					
4.1.1.10	Ability to associate appropriate source file data with each audit sample, electronically.				
Response:					

4.1.2 Audit Subsystem Interface

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.1.2.1	Bidders must provide a high level description of their proposed Audit Subsystem Interface offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.1.2.2	Ability to import audit universe comma-separated value (.CSV) files from an external application. For example, inputs for Universe Creation include audit type criteria and user-defined criteria.				

Response:					
4.1.2.3	Ability to compare audit universe (.CSV) files against "double recovery" claims contained in the FADS. Double recovery claims are all claims that have previously been included in payment review activities e.g. audit, payment review program recoveries (algorithms), etc. The end result of this process is the creation of the "Scrubbed Universe."				
Response:					
4.1.2.4	Ability to export the "Scrubbed Universe" from FADS to external application to run a sample.				
Response:					
4.1.2.5	Ability to import comma separated value (.CSV) sample data from an external application. Sampling Outputs include Stratified sample and Statistical summaries.				
Response:					

4.1.3 Audit Determinations & Entries

This functionality allows workgroups to work on and access audit documents and annotate audit findings on audit spreadsheets or obtained medical records.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.1.3.1	The ability to house audit documents – for example chart notes and records				
Response:					
4.1.3.2	The Bidder should detail the word processing capability of your solution. Incorporate details of the document repository and path extension into your response.				
Response:					

4.1.3.3	Ability to create a decision logic trail where new entries dated and in different colors while original entries remain intact.				
Response:					
4.1.3.4	Ability to link to audit criteria e.g. billing instructions, statutes.				
Response:					

4.1.4 Calculations and Projections

The chosen solution's approach to producing extrapolation-projection calculation should be based on the Cochran methodology (Cochran, W.G. (1977). Sampling Techniques (3rd Ed.) New York: Wiley. Pp. 200-203).

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.1.4.1	Ability to calculate audited amount and overpayment estimates.				
Response:					
4.1.4.2	Ability to project overpayment estimates. Overpayment estimates must be projected into various funding sources using available data elements.				
Response:					
4.1.4.3	Ability to calculate final audit precision level.				
Response:					
4.1.4.4	Ability to produce a projection summary document.				
Response:					
4.1.4.5	Ability to attach documents and track comments and changes resulting from peer and supervisory reviews.				
Response:					

4.1.4.6	Ability to feed report results e.g. overpayment amounts, issuance dates – automatically to a case tracking system.				
Response:					

4.1.5 Automated Report Functionality

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.1.5.1	Bidders must provide a high level description of their proposed audit report generation process. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.1.5.2	Ability to auto-fill as well as manually edit report templates based on audit type.				
Response:					
4.1.5.3	Ability to auto-fill as well as manually edit report attachments – e.g. overpayment calculations.				
Response:					
4.1.5.4	Ability to accept links to work papers in audit attachments.				
Response:					
4.1.5.5	Ability to allow for pivoting of audit findings – e.g. summing, counting number instances per finding.				
Response:					

4.1.6 Audit Workflow

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.1.6.1	Ability to support the creation of a user specific audit work list that is itemized upon logon.				

Response:					
4.1.6.2	Ability to conduct a search within audit folders.				
Response:					
4.1.6.3	Ability to incorporate electronic signature capability for supervisory approval of work products.				
Response:					
4.1.6.4	Ability for documents to be locked or restricted to read-only access after an audit is finalized.				
Response:					
4.1.6.5	Ability to update case disposition into the case tracking system, based on milestone completion with the ability of supervisor to override.				
Response:					
4.1.6.6	Ability to establish a user-based permission structure so that auditors and supervisors are able to make changes but others will be restricted to "view only" access.				
Response:					

4.2 (SR) Algorithms

DSHS expects the FADS Vendor to run algorithms and produce regularly scheduled reports of fraud, abuse, and waste leads for action by State staff. The algorithms will include but not be limited to fee for service claims, managed care encounters and social service authorizations and payments.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.2.1	Bidders must provide a high level description of the groups of algorithms available in the proposed solution. Please include in your response your experience with generating cost savings through the utilization of algorithms. Limit your response to no more than five (5) pages. Include unique or innovative features and				

	advantages/benefits to DSHS.				
Response:					
4.2.2	Describe your process of developing algorithms from start to finish by utilizing MMIS, SSPS, and other supporting data with collaboration from state subject matter experts (SMEs) and vendor. The process is to be iterative in order to arrive at refined algorithm parameters and ultimately data results as defined by Washington-specific rules, policies and SME/vendor inputs.				
Response:					
4.2.3	The ability to incorporate many of the current WA algorithms as well as bring new algorithms.				
Response:					
4.2.4	Ability to generate overpayment data based on algorithm results in a DSHS format.				
Response:					
4.2.5	Ability to open a case in the case tracking system containing algorithm results.				
Response:					
4.2.6	Ability to exclude processing for specified individuals, providers and/or claims for specific algorithms either temporarily or permanently. The exceptions will be annotated as part of the logic of the algorithm.				
Response:					
4.2.7	The Bidder will be expected to respond to user requests to have new algorithms added to the scheduled runs. The algorithms would be based on the results of inquiry investigations or on information from other fraud and abuse detection groups.				
Response:					

4.2.8	The ability to provide expert staff to research Washington State policies and rules and tailor their existing algorithms to those policies.				
Response:					

4.3 (SR) Modeling

DSHS expects the FADS Vendor to run model and produce regularly scheduled reports of fraud, abuse, and waste leads for action by State staff. The models will include but are not limited to, utilization comparisons between providers and their peer groups (exception processing), billing spikes, and other models as determined by DSHS.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.3.1	Bidders must provide a high level description of their proposed supervised, unsupervised and predictive modeling solution. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.3.2	The Bidder is expected to provide adequate model development and subject matter experts to develop, implement and update models.				
Response:					
4.3.3	Ability to generate alerts based on data analysis that identifies provider “billing spikes”, “pattern deviation”, and other aberrancies. System generated alerts that would notify specific analysts of the findings on a weekly, monthly or quarterly basis as required, including information and data that prompted the alert. Describe your process of working collaboratively with state subject matter experts to implement approved alerts.				
Response:					

4.3.4	Ability to develop and implement Predictive Models using disparate data sets for identifying patterns that lead to possible detection of abuse including but not limited to child, elderly and other vulnerable populations. Describe your process of working collaboratively with state subject matter experts to implement approved models.				
Response:					
4.3.5	Ability to develop Unsupervised Neural Net Models (UNNM) which may include the use of disparate data sets. Examples include but are not limited to finding relationships between billing providers and referring/prescribing providers; provider billing number rotations; and sharing "rings". The vendor should list and described the UNNM available in their solution. Describe your process of working collaboratively with state subject matter experts to implement approved models.				
Response:					
4.3.6	Ability to develop Supervised Models released on flexible user defined cycles. E.g. peer grouping may include but not be limited to: dentists, midwife, ARNP, physicians, denturists, pharmacies, hospitals and DME that identify aberrant behavior within peer groups. The vendor should list and describe the Supervised Models available in their solution. Describe your process of working collaboratively with state subject matter experts to implement approved models.				
Response:					
4.3.7	Ability to provide and use an accepted case-mix or health risk adjustment methodology in the models and online inquiry. A peer group adjustment can be combined with the health risk adjustment methodology or can be used alone. Describe your approach or methodology.				
Response:					

4.3.8	Ability for the users to perform peer group changes based on the user's need to add a provider to a peer group prior to any model processing. These changes can be for any supervised and/or unsupervised model either temporarily or permanently. These additions will be annotated on reports.				
Response:					
4.3.9	Ability to identify and report on suspicious providers billing patterns from predetermined patterns (algorithms or rules) in the fee-for-service claims history, managed care claims and other relevant data. These reports will be created with the same frequency as the data is updated in the FADS Data Mart/View. There will be rankings of providers whose claiming behavior on user-selected indices has a high probability of being fraudulent or abusive. What is your processing for ranking the providers? What are the data elements available for selection?				
Response:					
4.3.10	Ability to integrate disparate data such as employee payroll, worker's compensation data, food stamp data, etc. to identify patterns of possible DSHS employee and sub-contractor fraud and abuse.				
Response:					
4.3.11	The Bidder's Subject Matter Experts will be expected to research Washington State policies and rules and tailor their existing models and develop new ones to Washington's rules.				
Response:					
4.3.12	Ability to view model results in a graphical format – e.g. timelines, pie charts, bar charts, etc.				
Response:					

4.4 (SR) Case Tracking

The FADS Case Tracking software will allow the documenting, tracking, reporting and E-file maintenance of closed and current investigations.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.4.1	Bidders must provide a high level description of their proposed case tracking offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.4.2	Ability to pull data from the FADS Data Mart/View for use in the Case Tracking tool.				
Response:					
4.4.3	Ability to automatically assign case numbers and add intelligence to automatically assigned case numbers.				
Response:					
4.4.4	Ability to cancel a case if opened or created in error.				
Response:					
4.4.5	Ability to configure fields such as Work Unit and Case Type to meet DSHS specifications.				
Response:					
4.4.6	Ability to select Case Type/Work Unit categories through a multilevel GUI based selection process.				
Response:					
4.4.7	Ability to auto-fill as well as manually enter designated fields/elements. (e.g. but not limited to MMIS Client Name, ID number, ACES client ID, eligibility status, Provider Name, UPIN etc.)				
Response:					
	Ability to assign Primary Analyst and				

4.4.8	Secondary Analyst(s) to the same case as well as the ability to show the history of assigned Analysts to each case. The Primary Analyst and Secondary Analyst. need not be from the same Work Unit. Ability to change Analyst assigned per Flexible Administrative Permissions/User Levels Security.				
Response:					
4.4.9	Ability to notify an analyst when they are assigned a case. Notification should include multiple data elements such as assigned case number, case name, allegation, date opened and source information.				
Response:					
4.4.10	Ability to auto-fill as well as manually enter case status date fields with information including but not limited to “Date Opened” and “Date Closed.”				
Response:					
4.4.11	Ability to incorporate a large number of drop-down menus based on Work Unit. (e.g. but not limited to Allegation Category, Status Code, Case Disposition, Disposition Classification, Source Person, Source Location and Source Type.)				
Response:					
4.4.12	Ability to incorporate text fields for analyst freehand entry.				
Response:					
4.4.13	Ability for all text fields to have word processing capability with edit capability such as spell-check.				
Response:					
4.4.14	Ability to calculate and auto-fill as well as manually enter payments made to the entity under review such as benefit payments or payments for services rendered.				
Response:					

4.4.15	Ability to calculate and auto-fill as well as manually enter payment information within an open case, with up to date information, upon request of the analyst.				
Response:					
4.4.16	Ability to calculate payments to additional providers or beneficiaries upon request. (e.g. benefit payments made to a second provider in the same office, or second member (beneficiary) of a household from within a case opened to review a separate provider or beneficiary.)				
Response:					
4.4.17	Ability to manually enter overpayment data.				
Response:					
4.4.18	Ability to automatically identify and make available all open or closed cases linked to the entity under review.				
Response:					
4.4.19	Ability to mark portions of a case file as confidential or hide case information from some users – limiting access by user type, section and/or user.				
Response:					
4.4.20	Ability to attach all information related to the case (imaged documents, referral, actions, e-mails, data files). This will include but not be limited to Word, html, text, Excel, .CSV, Access and various picture formats.				
Response:					
4.4.21	Ability to maintain all information related to the case (imaged documents, referral, actions, e-mails, data files) required to create a paperless file. This will include but will not be limited to Word, html, text, Excel, .CSV, Access and various picture formats.				
Response:					

4.4.22	Ability to incorporate existing documents. This will include but not be limited to Word, html, text, Excel, .CSV, Access and various picture formats.				
Response:					
4.4.23	Ability to auto-fill as well as manually enter various standard reports, letter, worksheets, etc. templates from elements and fields within the case file.				
Response:					
4.4.24	Ability to save and/or print various standard reports, letters, worksheets and other document templates upon request.				
Response:					
4.4.25	Ability to refer a case using a drop down menu selection; ability to notify referral recipient; and return referral information as part of case documentation (e.g. referral source and date sent).				
Response:					
4.4.26	Ability to initiate a new case based upon the referral action, opening the new case for the Work Unit receiving the referral. When cases are automatically opened, during the referral process, specifically identified data elements or attachments from the original case will be copied into the new case.				
Response:					
4.4.27	Ability for each Work Unit to develop a “prioritization table”, which can be edited by an administrator within each Work Unit, to assign each case a priority level. The case priority should change as the table is edited.				
Response:					
4.4.28	Ability for each analyst to initiate a future tickler that will be sent on a specific date.				
Response:					

4.4.29	Ability to auto generate ticklers that can be sent to key individuals based upon deliverable due dates. (e.g. – dates entered into Work Unit Specific date fields such as “Charts Due Date”, or “Draft Reply Date”.)				
Response:					
4.4.30	Ability to capture and track audits that are performed by federal contractors under new federal Medicaid program integrity initiatives.				
Response:					
4.4.31	Ability to capture audit and review information electronically to produce a monthly report.				
Response:					
4.4.32	Ability to provide status report of algorithm cases and dollar amounts in review and the current status.				
Response:					

4.5 (SR) Query Capabilities

Depending upon the proposed solution, the successful vendor system should provide GUI-based functionality that will allow users the ability to query the data both to investigate previously identified leads and to perform ad-hoc investigations. This functionality will be utilized to develop documents regarding provider activities and develop algorithms.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.5.1	Bidders must provide a high level description of their proposed querying capabilities. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.5.2	The ability for users to query all FADS Data Mart/View data as defined by user on an as needed basis in a user friendly GUI.				
Response:					

4.5.3	Ability to allow users to schedule specific inquiries to be processed overnight or at a specifically stated time with an online trigger.				
Response:					
4.5.4	Ability to allow users to be able to cancel an inquiry or report request at any time before the result is returned to the user.				
Response:					
4.5.5	System ability to automatically notify users when inquiries or reports are completed.				
Response:					
4.5.6	System ability to estimate the number of rows, level of system resource usage and run time of a submitted query. To what degree does this degrade response time and can the feature be turned on or off at the user level?				
Response:					
4.5.7	Ability of the system to indicate the status of an active search. This would be an indication of how much time has elapsed as well as how much time remains for the search to complete.				
Response:					
4.5.8	Ability of the system to run a query in the background while the user performs other tasks – either in the system or in other systems on the PC without degradation in performance.				
Response:					
4.5.9	Ability to run multiple queries at the same time. Users can submit a query and before the results return submit one or more updated version of the same query (with changed parameters) or an entirely different query. It is desired that the returning results come back independent of sending order.				

Response:					
4.5.10	Ability to define parameters for queries that will result in unduplicated counts of values at any level of summarization (e.g., individual level, aggregate level across several providers or procedures).				
Response:					
4.5.11	Ability to use geo-mapped data to graphically display the information on a map.				
Response:					
4.5.12	Ability to use geo-mapping to tag the latitude and longitude information on FADS data at claim/recipient/provider levels.				
Response:					

4.6 (SR) Reports

The successful Vendor will provide a web-based report offering with a report repository. During the DDI, DSHS will identify which existing reports will need to be created by the Vendor. The report offering will apply to all areas of the FADS – algorithms, audit subsystem, models, case tracking, etc.. Users will have the ability to select and view/print/copy/download reports.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.6.1	Bidders must provide a high level description of their proposed Report offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.6.2	Ability to generate reports and templates. DSHS anticipates it will work with the successful Vendor during DDI to analyze and define each report to ensure the Second Generation FADS reporting component meets overall business needs.				
Response:					

4.6.3	All vendor-generated reports will be consistent and error-free. Describe the methods and procedures that will ensure adherence to these standards for quality.				
Response:					
4.6.4	Ability to generate reports based on the algorithm overpayment results. These will be scheduled reports providing information on total monies spent in specific area and monies identified for recoupment in algorithms, etc. These reports should be available as requested by the users.				
Response:					
4.6.5	Ability to archive reports for reference for up to six (6) years. This would include the ability to restore archived output, and to purge reports and results automatically and selectively.				
Response:					
4.6.6	Ability to review report and report parameters as results are being reviewed. The report parameters must be stored with the results.				
Response:					
4.6.7	Ability to define parameters for reports that will result in unduplicated counts of values at any level of summarization (e.g., individual level, aggregate level across several providers or procedures).				
Response:					
4.6.8	Ability to include or exclude cases from a report based on multiple data elements.				
Response:					
4.6.9	Ability to auto-fill templates with information and fields from within a case.				
Response:					

4.6.10	Ability to highlight, cut, paste, and print any section of a report.				
Response:					
4.6.11	Ability to save all reports, letters, work sheets etc. outside of the system, if desired.				
Response:					
4.6.12	Ability for reports to be viewed by multiple users simultaneously at various locations/workstations.				
Response:					
4.6.13	Ability to download report content to Microsoft Office products.				
Response:					
4.6.14	Ability to cancel report requests before the result is returned.				
Response:					
4.6.15	The ability to access and export data through communication methods such as ODBC to allow the use of a wide range of reporting tools for ad hoc reports.				
Response:					

4.7 (SR) Provider Relations/Documentation Review

The successful Vendor must have the ability to (1) manage provider calls and documentation review related to DSHS' informal dispute resolution process detailed in the following requirements; and (2) receive, review and work collaboratively with DSHS on audits/reviews resulting from federal Medicaid Program Integrity Initiatives.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.7.1	Bidders must provide a high level description of their proposed Provider Relations/Documentation Review offering. Include unique or innovate feature and advantages/benefits to DSHS.				

Response:					
4.7.2	The vendor will be required to provide a toll-free provider relations line that will be staffed from 6:00 a.m. to 6:00 p.m. Washington local time M-F, excepting State holidays.				
Response:					
4.7.3	Ability for providers to leave a voicemail message when calling outside of regular call center hours.				
Response:					
4.7.4	Ability to respond to provider inquiries related to algorithm results and findings. At a minimum it is expected that the vendor will staff telephones with algorithm and provider relations specialists for response to provider inquiries. The Vendor agrees to maintain a 24-hour return call standard.				
Response:					
4.7.5	The ability to implement DSHS' informal dispute resolution process. The process includes a discussion of overpayments with providers, review of data/documentation from providers disputing overpayments, validating correct overpayment amounts, documenting adjustments, tracking adjustments and notifying the department of recommended adjustments to overpayments. The Bidder will complete the informal dispute resolution process within 60 days after the overpayment letter was received by the provider.				
Response:					
4.7.6	Ability to provide the expertise to review and analyze documentation pertaining to DSHS claims including but not limited to: medical records, prescriptions, billing documents, social service case management and authorizations.				
Response:					

4.7.7	The successful Bidder should have the ability to receive, and review information/documentation regarding audits/reviews performed in compliance with federal Medicaid Program Integrity initiatives.				
Response.					

4.8 (SR) System/User Documentation/Support

DSHS requires the successful Vendor to develop, maintain, electronically store, print and distribute system documentation to include:

- FADS User Manuals.
- FADS System Documentation.
- A complete Data Dictionary

The FADS User Manual and will be prepared in draft form during the Design and Development stages and be available in its final form during the User Acceptance stage. FADS User Manual will also be provided in electronic form and available through on-line help features. FADS User Manuals will be kept current by the successful Vendor during the Operations stage.

The FADS System Documentation will be prepared by the successful Vendor and provided to the State prior to final acceptance of the FADS. FADS System Documentation will be provided to the State in hardcopy as well as electronic form. FADS System Documentation will be updated by the successful Vendor to reflect system changes. Updated documentation will be provided to the State prior to final acceptance of the system change.

The state also requires the successful Vendor to develop on-line tutorials that will assist the user in learning the system. Tutorials will be available in their final form during User Acceptance Testing.

The successful Vendor must provide a complete online browser-based Data Dictionary that is accessible to all users. The Data Dictionary is to include definitions of all data elements and references to screens where they appear and tables where they reside. The data dictionary will be developed by the successful Vendor and made available to users during the User Acceptance stage. The Data Dictionary will be maintained by the contractor during the Operations stage.

4.8.1 Data Dictionary

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.8.1.1	Bidders must provide a high level description of their proposed Data Dictionary offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.8.1.2	Ability for data dictionary to maintain for each data element a unique data element number, a standard data element name, a narrative description of the data element, a list of data names used to describe the data element and the source of each data element.				
Response:					
4.8.1.3	Ability for data dictionary to maintain for each data element a list of files/tables containing the data element.				
Response:					
4.8.1.4	Ability to query the data dictionary by the database field name and the screen name, if different.				
Response:					
4.8.1.5	The successful Vendor must provide a data dictionary that defines all elements in the FADS and lists the screens and tables in which they appear.				
Response:					
4.8.1.6	Ability to maintain previous versions or track and record any changes made to the Data Dictionary.				
Response:					
4.8.1.7	Ability to view definitions of all data on system. File layouts and data dictionaries for all data sources used on the system need to be available on-line.				
Response:					

4.8.2 System and User Documentation/Help/Tutorials

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.8.2.1	The successful Vendor must provide and keep current all system and user documentation current at the time upgrades are applied to the successful Vendor installed system.				
Response:					
4.8.2.2	The successful Vendor must provide and keep current standards and documented processes for maintaining system components.				
Response:					
4.8.2.3	The successful Vendor must develop, prepare, maintain, produce, store on-line, make available to print, and distribute the FADS System documentation, FADS User Manuals.				
Response:					
4.8.2.4	All successful Vendor produced manuals and documents must be available to the State in state approved electronic format.				
Response:					
4.8.2.5	The successful Vendor must supply online user training manuals, tutorials and appropriate printed training materials to ensure all FADS users are fully oriented and trained. These items must be supplied in their final form prior to user acceptance testing.				
Response:					
4.8.2.6	The successful Vendor must supply documentation of all interfaces to and from the new FADS system and all other applications provided by the successful Vendor.				
Response:					
	The successful Vendor must provide context sensitive help for all areas of the				

4.8.2.7	system allowing the user to go directly to help related to the function, process or data field.				
Response:					
4.8.2.8	Ability to produce and maintain System documentation to include at a minimum: 1. A narrative overview of the entire system. 2. A text description and process flowcharts depicting the flow of major processes in the system. 3. Multiple sets of hierarchical, multi-level charts that give a high, medium, and detail view of the system. 4. Data Dictionary content and usage. 5. Data model charts and descriptions. 6. Meta data source, descriptions, parameters, and usage. 7. A description of the operating environment. The nomenclature used in the overview should correspond to nomenclature used in subsystem documentation (all subsystems must be referenced, and documentation must be consistent from the overview to the specific subsystems and between subsystems). 8. Data exchanges and interfaces.				
Response:					
4.8.2.9	Ability to produce and maintain Subsystem documentation to include at a minimum: 1. Subsystem name and numeric identification. 2. Subsystem narrative, including each function and feature of the subsystem. 3. Subsystem flowcharts, identifying each program, input, output, and file. 4. Job streams within subsystems identifying programs, input and output, controls, job stream flow, operating procedures, and error				

	and recovery procedures. 5. On-line system tables and entries. 6. Identification and listing of all contractors internal control reports. 7. For all forms, screens, and other inputs: input definitions, including names, descriptions, sources, examples, and content definition. 8. For all screens, reports, and other outputs: output definitions, including names, numbers, sources, destinations, examples, and content definition.				
Response:					
4.8.2.10	Ability to produce and maintain System Program Technical documentation to include at a minimum: 1. Program narratives, including process specifications for each, the purpose of each, and the relationships between the programs and modules. 2. A list of input and output files and reports, including retention. 3. File layouts. 4. File names and dispositions. 5. Specifics of all updates and manipulations. 6. Program source listing. 7. Comments in the listing, identifying changes to the program by date, author, and reason. 8. Comments in the listing, identifying each subroutine and each major entrance, exit, and function of the subroutine.				
Response:					
4.8.2.11	Ability to produce and maintain all file/table documentation, including intermediate and work files to include, at a minimum: 1. File/table descriptions and record layouts, with reference to file/table names and numbers, data element numbers, names, number of occurrences, length, and type,				

	record names, numbers, and lengths. 2. File maintenance data such as number of records, file space, and any other data necessary to manage the data or utilize the documentation. 3. Lists, by identifying name, of all files/tables, inputs, and outputs with cross references to the programs in which they are used.				
Response:					
4.8.2.12	Ability to maintain a system change request library with search capability to allow all users to query change request status.				
Response:					

4.9 (SR) FADS Help Desk

Augmenting the FADS User Manuals, System Documentation and Data Dictionary – the state requires the successful Vendor to establish and maintain a live Help Desk to respond to DSHS user and system questions.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.9.1	Bidders must provide a high level description of their proposed Help Desk offering. This includes general technical support through a help desk for such issues as trouble shooting, device resets, and network problems. Include unique or innovate feature and advantages/benefits to DSHS.				
Response:					
4.9.2	The successful Vendor technical help desk must be available to DSHS HRSA staff persons during normal business hours of 6:00 A.M. to 6:00 P.M. Pacific Time, except State holidays.				
Response:					

4.9.3	The successful Vendor help desk must respond to all problems and questions either immediately or within 24 hours and will work with DSHS staff until resolution of problem or question.				
Response:					
4.9.4	The successful Vendor technical help desk must be available to providers using the successful Vendor web application (e.g. provider self-review) during the hours of 6:00 A.M. to 6:00 P.M. Pacific Time.				
Response:					

4.10 (SR) Access/Display/Navigation

The modern FADS must incorporate user friendly systems, navigation technology and a Graphical User Interface (GUI) that allows all FADS users to move freely throughout the system using pull down menus, window tabs, and "point and click" navigation. In addition, the navigation process must be completed without having to enter identifying data multiple times. "Help" screens must be included and should be context-sensitive in order to provide for ease of use. The use of GUI access must be standardized throughout the FADS.

The system must contain a user friendly menu system, understandable by non-technical users, which provides access to all functional areas with direct links from one subsystem to another. This menu system must be hierarchical and provide submenus for all functional areas of the FADS. However, the menu system must not restrict the ability of experienced users to directly access a screen, or the ability to access one screen from another without reverting to the menu structure. Menus should reflect the hierarchical or tree structure of the screens. Each menu item must indicate a list of screens or a list of submenus to indicate screen dependencies to the users. The system should remain available to the user from log on to system log off, without the need for intermediate system prompts. These system access and navigation requirements must be standard for all users of the FADS, including users from other agencies and entities.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.10.1	Bidders must provide a high level description of their proposed Access/Display/Navigation offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					

4.10.2	Ability to use alpha case conversion for those fields that can be entered by the users.				
Response:					
4.10.3	Ability to provide consistent navigation rules throughout the system.				
Response:					
4.10.4	Ability to view field values, definitions and descriptions of data in reference files through a GUI in the Data Mart/View.				
Response:					
4.10.5	Ability to navigate by scrolling both forward and backward on all FADS screens..				
Response:					
4.10.6	Ability to use a FADS that has a single log-on within the successful Vendor supplied software.				
Response:					
4.10.7	Ability to word wrap when capturing free form text in a field.				
Response:					
4.10.8	Ability to maintain standard edits for data entry functions throughout the system. (e.g., a standard edit mask on all currency fields.)				
Response:					
4.10.9	Ability to open multiple FADS screens/windows with the flexibility to view or work in more than one subsystem at a time. (e.g. entering in case tracking while running a query in the FADS Data Mart/View)				
Response:					

4.10.10	System must display and print all dates in the format of mm/dd/yyyy unless otherwise approved by the State.				
Response:					
4.10.11	All data names, labels and definitions must be used consistently in screen displays, reports, data dictionary and user manuals.				
Response:					
4.10.12	All system/application generated messages must be understandable and easily identifiable to the user and sufficiently clear for problem correction.				
Response:					
4.10.13	All screens and windows must be labeled with unique identifiers.				
Response:					
4.10.14	All reports must be labeled with unique identifiers.				
Response:					
4.10.15	GUI access must be standardized throughout the FADS.				
Response:					
4.10.16	GUI drop down lists must be available to identify options and code descriptions for each field where applicable.				
Response:					
4.10.17	Ability to display current date and time on all screens, windows and reports.				
Response:					
4.10.18	All headers and footers must be standardized on all screens, windows, and reports.				
Response:					

4.10.19	User interface must comply with recognized usability standard e.g., the American Disabilities Act (ADA), Older Americans Act, the Rehabilitation Act Section 508 Subpart B Section 1194.21, etc.				
Response:					

4.11 (SR) Maintenance and Operations

The successful Vendor must complete FADS design, development and implementation in accordance with state and federal regulations and guidelines and the requirements set forth in this RFP. The successful Vendor also will be responsible for the ongoing maintenance and operations and performance of the FADS, ensuring system functions perform reliably and accurately. The successful Vendor is required to provide qualified personnel resources, facilities, equipment, services, software and supplies necessary to support the production and operation of the FADS and also met the requirement and performance standards described in this RFP.

The successful Vendor will be responsible for system, application and network performance only for the portions of the communication link defined as the successful vendor responsibility. The point of demarcation between the vendor and State responsibility is described and illustrated in Appendix VI – Technical Environment.

4.11.1 General

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.11.1.1	Bidders must provide a high level description of their proposed Maintenance and Operations offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.11.1.2	The successful Vendor must assume responsibility and keep up-to-date all licensing fees for any software required for the successful Vendor installed system.				
Response:					

4.11.1.3	The successful Vendor must assume responsibility and keep up-to-date all upgrades and patches within (a timeframe to be determined by DSHS) required for the successful Vendor installed system.				
Response:					
4.11.1.4	The successful Vendor data center and all facilities and services provided to Washington State will be within the United States.				
Response:					
4.11.1.5	The successful Vendor must provide all equipment, software and communications lines necessary to connect the FADS to the Washington State Network at the point of demarcation of connectivity responsibility. See Appendix VI – Technical Environment.				
Response:					

4.11.2 Performance

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.11.2.1	Ability to accept large files from the P1 Data Warehouse. Current estimate is 1,300,000 (1.3 million) transactions can be included in a single file.				
Response:					
4.11.2.2	The Bidder should provide expected query response times based upon simple and complex queries, with at least 100 concurrent internal state users. This will be agreed upon during contract negotiations.				
Response:					

4.11.2.3	Ability to meet all DSHS-defined performance criteria during all normal Washington State working hours of 6:00 A.M. to 6:00 P.M. Pacific Time, Monday through Friday excepting WA State Holidays.				
Response:					
4.11.2.4	The successful Vendor must provide a system to monitor and report on response times.				
Response:					
4.11.2.5	The successful Vendor must report actual response times to the State for each category in both graphic and tabular/text depiction on a weekly basis.				
Response:					

4.11.3 Problem Resolution

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.11.3.1	The successful Vendor will provide procedures for problem resolution and exception handling that will be approved by DSHS.				
Response:					
4.11.3.2	The successful Vendor must provide for a single point of contact to call for all problem resolution for the system.				
Response:					
4.11.3.3	The successful Vendor help desk must provide a problem/resolution tracking system available to DSHS for reporting.				
Response:					

4.11.3.4	The successful Vendor must support methods for questions which are not answered by the Help Desk such as broad-based problem resolution, product functionality requirements, issue escalation and status.				
Response:					

4.11.4 System Availability

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.11.4.1	The successful Vendor must be able to assure the system is available at all times between 6:00 A.M. and 6:00 P.M. Washington Business Hours, Monday through Friday.				
Response:					
4.11.4.2	The successful Vendor must be able to describe their method to manage all system maintenance (including data updates and data management), scheduled jobs, and creation of results for inquiries with an extended response time that will be accomplished on a schedule that will still allow the system to be available, at a minimum, for online inquiry.				
Response:					
4.11.4.3	Describe the conditions under which the system would be available at other times, e.g. 6:00 P.M. to 6:00 A.M. Washington local time and on Saturday and/or Sunday.				
Response:					

4.12 (SR) Provider Self Review

DSHS expects to have some external state users to the FADS. Nonetheless they will need the same feature rich and easily mastered set of internet based functions. Another component of the FADS functionality will be access by providers to a self-review tool hosted by the Vendor. This functionality would be restricted access by a provider to review and provide information regarding their own claims in a dataset which is identified by DSHS and the Bidder through the algorithm and model development processes.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
4.12.1	Bidders must provide a high level description of their proposed Provider Self Review offering. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					
4.12.2	Applications developed for the internet must comply with the requirements of the Internet Guidelines and Standards as defined in the DSHS NetGuide and in the Rehabilitation Act Section 508 Subpart B Section 1194.22. http://isb.wa.gov/tools/webguide/accessibility.aspx				
Response:					
4.12.3	The Bidder must provide a description of their ability to generate provider self review notification, which includes instruction to providers regarding the process and system access information.				
Response:					
4.12.4	The Bidder must provide external users the ability to access and review provider self review algorithm results through a secured connection.				
Response:					
4.12.5	Ability to allow providers to update their own information in response to a provider-self review notification.				
Response:					

5. (SR) Future Technical Specification

PRP plans to use advanced fraud and abuse detection tools and data from more sources and in more ways in the future. It is understood that Bidders may be able to offer some of these currently but the discussion and pricing of future technical specifications should be kept separate from the response and cost for technical requirements in Sections 3 and 4 of this RFP. Responses to this section are meant to assist DSHS in planning for future business needs. Provide your approach and pricing structure for the addition of these items to the FADS solution. PRP recognizes that cost details can vary substantially based upon the specific circumstances at the time and is more interested in the vendor's approach to costing these items out, rather than a specific dollar amount. It is important to keep in mind that these are not current requirements but proposed future requirement which may be subject to revisions.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
5.1	Detail other unique or innovative features which could be leverage in the future to the advantage/benefit of DSHS.				
Response:					

5.2 (SR) Pre-Payment Review

The State desires to pursue Prepayment Review as an integral part of PRP's fraud and abuse detection process to reduce "pay and chase" and to increase potential savings opportunities.

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
5.2.1	Provide a high level description of your Pre-Payment Solution. Describe the integration of your Pre-Payment solution with the Medicaid payment system. Include unique or innovative features and advantages/benefits to DSHS.				
Response:					

6. (MR) Financial/Contractual Requirements

In addition to meeting the Management and Staffing Requirements (Section 2), Technical Requirements (Section 3), and Functional Requirements (Section 4), the successful Bidder must submit a competitive cost proposal and meet the mandatory certification requirements identified below. The following section outlines the financial and contractual requirements that Bidder proposals must address. Refer to Instructions to Bidders, Section 7, for structuring the response to these requirements.

6.1 (MR) Cost Proposal

DSHS seeks a fixed-price deliverables-based contract not-to-exceed" $5,388,400 for fulfilling the requirements of this RFP. Therefore, the cost proposal must reflect all costs which are associated with meeting the requirements and services listed in the RFP and which are offered by the Bidder as part of the Bidder's proposal.

The Bidder is responsible for including all cost components in the proposed cost proposal, including sales or use taxes and licensing fees associated with successful completion of the project described in this RFP.

DSHS will not be responsible for erroneous, hidden, non-disclosed, or underestimated costs.

Prices quoted must remain fixed for the duration of the contract executed as a result of this RFP. See Contract Period, Section 8.5.6, for the initial term of the contract and option periods.

Bidder Proposals must submit a completed Appendix III – Cost Proposal Form with the response to Section 6. The Bidder's cost proposal must conform to the format and instructions of the Cost Proposal Form, including the following cost elements:

1. DDI Fixed Price. Propose a fixed price for the FADS System including, but not limited to, all DDI Deliverables and a System that satisfies all Mandatory Non-scored Requirements (MR) and Mandatory Scored Requirements (SR) identified in this RFP. During DDI, Contractor shall provide all DDI Deliverables and Services in accordance with in the RFP, Response and the Contract within the DDI Fixed Price identified in the Contract.

2. DDI Contingency. The Bidder is expected to propose a reserve of 5% of the fixed price identified above in item 1, which shall be the DDI Contingency amount available to DSHS within the maximum amount of the Agreement for DDI Change Orders and to be exercised, in whole or in part, at the State's discretion during DDI. See Sections 1.6 and 2.5.3 for definitions and more information regarding Change Control.

3. Maintenance and Operations Fixed Price. Propose a fixed price for each year of on-going maintenance and operations for the life of the Agreement in accordance with the requirements of this RFP for both the initial term and option terms. During the Maintenance and Operations period(s) of the Contract, the Contractor shall provide all Maintenance and Operations Deliverables and Services in accordance with the RFP, Response, and the Agreement within the Maintenance and Operations Fixed Price identified in the Contract. Maintenance and Operations Services which shall be provided to DSHS at no additional cost, are included within the Operations and Fixed Price and shall include but not limited to:
    - Providing all necessary resources and personnel to perform the Maintenance and Operations Services;
    - Sustaining the level of services;
    - Developing and providing DSHS with all models and algorithms and other Deliverables and Services subsequently agreed upon by the Contractor and DSHS in an Annual Business Plan;
    - Performing all Deliverables and Services necessary to meet the 3:1 ROI; and

- Correction of any Deficiencies in the System or Services and upgrades to the System. shall be provided to DSHS at no additional cost.

4. Propose the Bidder's "blended" or composite hourly rate. The Contractor shall use an hourly rate less than or equal to this hourly rate to calculate its firm offers in response to DSHS Change Requests for Change Orders. Change Requests will include:
   - System changes.
   - Special projects, training or other services required by DSHS.
   - Additional algorithm and model development, provider relation services and required subject matter expertise that are not included in the Annual Business Plan. for up to one-thousand (1,000) hours annually

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5. Maintenance and Operations Contingency. Propose the Bidder's cost for an additional 1,000 hours per year at the blended rate identified in item 4 above, which cost shall be the Maintenance and Operations Contingency amount available to DSHS within the maximum amount of the Agreement for Maintenance and Operations Change Orders and to be exercised, in whole or in part, at the State's discretion during Maintenance and Operations. See Sections 1.6 and 2.5.3 for definitions and more information regarding Change Control.

6.2 (MR) Certifications and Assurances

Bidders must submit a completed Appendix VII – Certifications and Assurances with the response to Section 6. A representative authorized to legally bind the Bidder must sign the Certifications and Assurances form.

6.3 (MR) Proposal Checklist

The Bidder must submit a completed Appendix VIII – Proposal Checklist with the response to Section 6 that verifies the Bidder has complied with the RFP requirements.

6.4 (MR) Confidentiality Statement

Bidders must submit a completed Appendix IX – Confidentiality Statement with the response to Section 6. A separate form must be signed and dated by all Bidder employees proposed for the project. The Bidder must also indicate the concurrence with, and understanding of, this requirement.

6.5 (MR) Contractual Language

To be responsive, Bidders must indicate a willingness to enter into a contract that contains substantially the same general terms and conditions as shown in Appendix I – Sample Contract (Agreement). Any specific areas of dispute with the Sample Contract (Agreement) must be identified in the Bidder's proposal as noted below and may, at the sole discretion of DSHS, be grounds for disqualification from further consideration in the award of this contract.

A Bidder may be more favorably evaluated based on the degree of acceptance of the specified terms and conditions without exception, reservation, or limitation.

Bidders may, however, propose revisions to Sample Contract (Agreement) terminology for clarification and procedural purposes, and/or revisions based upon specific elements of their proposed solution. In no event is a Bidder to submit its own standard contract terms and conditions as a proposal to this requirement. Bidder's new and/or modified agreement paragraphs are the only terms that will be subject to discussion during contract negotiation. The agreed-upon contract is subject to State and federal approval.

The Bidder's response to RFP Section 6 must:

1. Identify all proposed contract changes, if any, and include proposed alternative terms and conditions, using the sample in Appendix I – Sample Contract as a baseline. Using the automatic reversion feature of Word 2003 or later, the Bidder must add or strikeout language in the Sample Contract (Agreement).

2. Identify the explanation for proposed contract changes. Using the comments feature of Word 2003 or later, the Bidder must explain any and all proposed contract changes.

3. State that the Bidder agrees with the contractual language of RFP Appendix I – Sample Contract, if no contract changes are proposed.

4. Include one (1) electronic copy (CD or thumb drive) of Bidder's proposed Sample Contract in Word 2003 or later format, with revisions and comments shown per the instruction above.

See Section 8.5.1 below for a description of the anticipated contract negotiation process.

6.6 (MR) Performance Bond

At the Contractor's cost, the Contractor shall furnish the Department with a bond that satisfies the requirements identified therefore in the Agreement in an amount equal to $1,000,000 through the initial term within 30 calendar days of the Effective Date. Such bond shall be in a form and substance satisfactory to the Department. The bond shall be maintained by Contractor in full force and effect until successful performance (in DSHS' opinion) of the entire System for 90 days after DSHS Acceptance of the System. In the event that the State exercises an option to extend the Agreement for any additional period(s), Contractor shall extend the validity and enforcement of the bond for said periods. Prior to acceptance of the performance bond, the Department reserves the right to review the bond and may require Contractor to substitute a more acceptable bond in such form as the Department may require. Both the initial expense and the annual premiums on the bond shall be paid by Contractor. In the event of a default by the Contractor, the performance bond shall become payable to the Department as described in the Agreement.

The Bidder's response to Section 6 must:

1. Agree to provide a performance bond as required by this Section 6.6.

2. State the dollar amount cost to Bidder for obtaining and maintaining a $1 Million performance bond through System Acceptance of the new FADS. Further, agree that, based upon Bidder's stated cost, DSHS may at its sole discretion decide to raise or lower the required Performance Bond amount to a mutually agreed upon cost.

7. Instructions to Bidders

To be considered for selection as the ASV, Bidders must submit a written proposal in response to this RFP. Bidders must also comply with all requirements of the RFP. DSHS may reject a Bidder's proposal that fails to comply as non-responsive.

7.1 Issuing Office/Legal Basis

DSHS conducts this acquisition process under Chapter 43.105 of the Revised Code of Washington (RCW). This acquisition includes compliance with the statewide policies issued under the authority of the Information Services Board (ISB), the guidelines approved by the ISB and published by the DIS Management and Oversight of Strategic Technologies Division (DIS/MOSTD), and other applicable laws and regulations. This acquisition process is in compliance with the policies and procedure of the DIS and ISB. DSHS obtained previous approval for the FADS Project from DIS.

7.2 Communications

All communications between the Bidder and DSHS related to this RFP, including but not limited to questions, the Letter of Intent, and proposal delivery must be directed to the RFP Coordinator.

The RFP Coordinator is the sole point of contact for all official written communications throughout this acquisition process. All DSHS communications and clarification regarding this document will be distributed under the signature of the RFP Coordinator.

Oral communications will be considered unofficial and non-binding on DSHS. Bidders are cautioned to rely only on written statements issued by the RFP Coordinator.

7.2.1 Point of Contact

Bidders are instructed to use the following means to contact the RFP Coordinator.
Mailing Address (U.S. Postal Service)

Central Contract Services
Attention: Andrew Kramer
PO Box 45811
Olympia, WA 98504-5811

(360) 664-6073
Fax: (360) 664-6184
E-mail: KrameAW@dshs.wa.gov

Important: This is the only address the U.S. Post office will use to deliver proposals. The Post Office will not deliver a proposal to the physical delivery address listed immediately below.

Hand Delivery or Courier Service Address only:

Department of Social and Health Services
Central Contract Services
Attention: Andrew Kramer, RFP Coordinator
Blake Office Park
4500 10th Avenue SE, 2nd Floor
Lacey, WA 98503

7.2.2 Use of Electronic Mail and Facsimile

Bidders may use electronic mail to submit questions and facsimile transmittals for the Letter of Intent. However, proposals will only be accepted via US mail or hand deliver/courier service. Refer to Section 7.2.1 above for the RFP Coordinator's e-mail address and fax number as well as mailing and delivery addresses.

7.2.3 Restrictions on Communication with DSHS Staff

Communication related to this Procurement that is directed to DSHS employees other than the RFP Coordinator may result in disqualification of the Bidder.

7.3 Activities and Schedule

The Procurement Schedule outlines the tentative schedule for important action dates and times. DSHS reserves the right to revise this schedule at any time.

ALL DATES AFTER THE PROPOSAL SUBMISSION DUE DATE ARE APPROXIMATE AND MAY BE ADJUSTED AS CONDITIONS INDICATE, WITHOUT AMENDING THIS PROCUREMENT.

It is the Bidder's sole responsibility to periodically check the DSHS procurement website, and/or WEBS, for amendments to this document.

Procurement Schedule – all times are Pacific Standard Time

Item	Action	Date
1.	DSHS Issues Procurement Document	October 24, 2008
2.	Bidder may submit written questions until 3:00 p.m.	October 31, 2008
3.	Non-Binding Letter of Intent Due	October 31, 2008
4.	DSHS will Issue responses	November 11, 2008
5.	Bidder must submit Proposal by 3:00 p.m.	November 25, 2008
6.	DSHS evaluation of Proposals	December 3 – 17 ,2008

7.	Bidder Oral Presentations if determined to be necessary by DSHS	December 18 – 23, 2008
8.	DSHS notifies Apparently Successful Bidder (ASB) and begins contract negotiations DSHS also notifies unsuccessful Bidders	January 5, 2009
9.	Bidders may request Debriefing until 5:00 p.m.	Three (3) Business Days after the announcement of ASB
10.	DSHS holds debriefing conferences, if requested	To be scheduled
11.	Unsuccessful Bidders may submit Protest(s) until 5:00 p.m.	Five (5) Business Days after the bidders debriefing conference
12.	Contract Execution	Anticipated January 16, 2009

7.4 Proposal Process and Submission

7.4.1 RFP and RFP Amendments

DSHS reserves the right to change the acquisition process, schedule, or to issue amendments to the procurement documents at any time before execution of a contract. Amendments will be posted on the DSHS Procurements Web site. It is incumbent on the Bidder to visit the DSHS Procurement web site http://www1.dshs.wa.gov/msa/ccs/ in order to receive any and all notifications and amendments. If there is any conflict between amendments or between an amendment and this document, whichever document was issued last in time shall be controlling. DSHS also reserves the right to cancel or reissue the Procurement documents.

All proposals to this RFP must be based on the material contained in this RFP and associated amendments, if any.

7.4.2 Letters of Intent

All interested Bidders are required to notify DSHS of their intent to respond to this RFP. This notification will not bind the Bidder to submit a response and must occur via a Letter of Intent addressed to the RFP Coordinator no later than October 27, 2008 at 4:00 pm Pacific Daylight Time. Bidders may use electronic mail or facsimile to deliver the Letter of Intent.

7.4.3 Proposal Submission Instructions

Bidders must provide written proposals to the RFP. Specifically, Bidders must submit their responses in five (5) separately bound, packaged, and sealed proposal volumes structured as follows:

Proposal Volume	Corresponds to:	No. of Copies
Management Proposal	RFP Section 2	6 copies
Technical Proposal	RFP Section 3	6 copies
Functional Proposal	RFP Section 4	6 copies
Future Technical Specifications	RFP Section 5	6 copies
Financial/Contractual Proposal	RFP Section 6	6 copies

Additionally, Bidders must:

1. Clearly mark the outside package of each sealed proposal volume, identifying whether it is the "Management Proposal", "Technical Proposal", "Functional Proposal", "Future Technical Specifications" or "Financial/Contractual Proposal".

2. Present pricing information **only** in the Financial/Contractual Proposal. Failure to adhere to these instructions will allow DSHS to consider the Bidder's proposal as non-responsive.

3. Enclose the required Appendix materials with the response to the RFP Section where the item is requested.

4. Submit one (1) electronic copy of all required information on a CD or thumb drive in Microsoft Word 2003 or later.

5. Submit one (1) unbound, reproducible copy of the entire Proposal, **excluding the Financial/Contractual Proposal**.

6. Prepare the proposal on a standard 8 ½ x 11 format; however 11 x 14 is permissible for larger format charts, spreadsheets, etc. Proposals must be in font size of 12 or larger. The bidder must submit an Original and all copies of the proposal in separate three-ring binders.

7.4.4 Mandatory vs. Scored Requirements

Requirement in RFP Sections 2, 3, 4, 5 and 6 are categorized as follows:

- Mandatory Non-scored Requirements (MR) – Denotes a requirement that is mandatory, but is not scored. Bidders must demonstrate compliance with MR requirements, otherwise the Bidder's proposal will be deemed as non-responsive and the Bidder's proposal will be disqualified from the evaluation process. Bidders should include the cost of meeting MR requirements in their proposed fixed price (see Section 6.1, Cost Proposal for pricing instructions).

- Mandatory Scored Requirements (SR) – Denotes a requirement that is mandatory and scored. Bidders must demonstrate compliance with SR requirements, if not the Bidder's proposal may be deemed as non-responsive and the Bidder's proposal may be disqualified from the evaluation process. Bidders should include the cost of meeting SR requirements in their proposed fixed price, unless the requirement is specifically identified as a separately priced item (see Section 6.1, Cost Proposal for pricing instructions).

The "MR" or "SR" designation will precede the text of each sub-section, unless individual requirements within a sub-section have a different designation, then "MR" or "SR" will be denoted at the requirement level.

7.4.5 Proposal Format Instructions

Bidder proposals must respond to all requirements identified in RFP Sections 2, 3, 4, 5 and 6.

- Management Proposal (Section 2): Bidders must restate each requirement in RFP Section 2, including the section number, title, and full text of the requirement. Responses must be provided immediately following each requirement and in the same sequence as the RFP. The Bidder's response must clearly state how each requirement is met.

- Technical Proposal (Section 3): Bidders must respond using the table format provided in RFP Section 3 (See Table 1 below) and in the same sequence of the RFP.

- Functional Proposal (Section 4): Bidders must respond using the table format provided in RFP Section 4 (See Table 1 below) and in the same sequence of the RFP.

- Future Technical Specifications (Section 5): Bidders must respond using the table format provided in RFP Section 5 (See Table 1 below) and in the same sequence of the RFP.

- Financial/Contractual Proposal (Section 6): Bidders must restate each requirement in RFP Section 6, including the section number, title, and full text of the requirement. Responses must be provided immediately following each requirement and in the same sequence as the RFP. The Bidder's response must clearly state how the requirement is met.

Table 1: Sample Requirement

Req #	Requirement	(1) Comply	(a) Core	(b) Custom	(c) 3rd Party
#.#.#.#	Sample Requirement Text				
(2) Response:					

For each requirement identified in Sections 3, 4 and 5, complete the above table information as follows:

1. Comply: Insert an "X" if the Bidder's offering complies with the requirement and leave blank if the Bidder's offering does not comply with the requirement.

   Bidders must also indicate how they will comply where a, b, and c are mutually exclusive:

   a. Core: Insert an "X" if the Bidder currently provides this requirement through a FADS installed in another organization and leave blank if the Bidder provides this requirement but not through a FADS installed in another state.

Note: indicate "core" for these features that either can be transferred from another organization "as is" or that can be transferred from another organization with little modification for Washington State.

b. Custom: Insert an "X" if the Bidder proposes to meet this requirement through custom development or through moderate or extensive modification to an existing system and leave blank if the Bidder does not require custom development or moderate/extensive modifications to meet this requirement.

Note: indicate "custom" for those features that require substantial or "from the ground up" development efforts, including moderate or extensive modifications to a transfer system.

c. 3rd Party: Insert an "X" if the Bidder proposes to meet this requirement through a relationship with another party (e.g., a sub-contractor, COTS vendor, or other 3rd party) and leave blank if the Bidder does not plan to form a relationship with another firm to meet this requirement.

2. Response: Insert a description of the Bidder's approach to meeting this requirement. Insert the response directly in the table, using as much space as needed (e.g., Bidders are not limited to one (1) line responses).

To assist with these submission requirements, the RFP is being provided in electronic format in Microsoft Word 2003.

7.4.6 Proposal Due Date and Location

The RFP Coordinator must receive the Bidder's proposal, in its entirety, on the date and time specified in Section 7.3, Activities and Schedule. Proposals submitted after the deadline will be declared non-responsive and will not be evaluated.

All timely delivered proposals and accompanying documentation become the property of DSHS. DSHS shall retain or dispose of proposals and accompanying documentation according to the General Records Retention Schedule for Agencies of Washington State Government.

Proposals are to be delivered to the address shown in 7.2, Communications. Bidders assume the risk of the selected delivery method. DSHS assumes no responsibility for delays caused by any delivery service. Postmarking the due date will not substitute for physical receipt of the proposal. Late proposals will not be evaluated nor will additional time be granted to any individual Bidder. Transmission of Proposals by facsimile transmission or other telecommunication or electronic means (except for portions specifically identified in this RFP) is not acceptable.

7.5 Additional Information

Bidder proposals are also subject to the following additional information.

7.5.1 Basis for Proposals

Proposals must be based only on the requirements contained in this RFP, including official answers to Bidders requests for written clarification, amendments, addenda, and other material published by DSHS pursuant to this RFP and as documented under signature of the RFP Coordinator.

7.5.2 Supplemental Material

Brevity is encouraged. Bidders are asked to provide direct, concise and succinct responses to each RFP Requirement. Bidders may submit, at their discretion, materials such as brochures, articles, specifications and report samples that the Bidder believes to be a helpful subject to the following:

- Such supplemental materials will not qualify as substitutes for direct answers within the proposal.
- Supplemental materials may be referenced in, but must not be combined with a required component of the proposal.
- Such supplemental materials are for the benefit of the evaluators, but they will not be required to use them. Therefore, answers within the proposal must be complete.
- Such supplemental materials will be incorporated into the proposal and, to the extent acceptable to the State, into the contract.

7.5.3 Errors in Proposals

DSHS will not be liable for any errors in Bidder proposals. Bidders will not be allowed to alter the content of the proposal after the deadline for proposal submission except as requested in a subsequent addendum or a Best and Final Offer All copies must be identical in content to the “Original” as the evaluators will only be evaluating the copies.

7.5.4 Withdrawal of Proposals

Bidders may withdraw a proposal that has been submitted at any time up to the proposal due date and time shown in Section 7.3, Activities and Schedule. To withdraw a proposal, a Bidder must submit a written notice signed by an authorized representative of the Bidder to the RFP Coordinator. After withdrawing a previously submitted proposal, the Bidder may submit another proposal up to the proposal due date and time shown in Section 7.3, Activities and Schedule.

7.5.5 Proposal Certification

The Bidder must certify in writing that all Bidder proposal terms, including prices, will remain in effect for a minimum of six (6) months after the proposal due date and continue through the term of the contract. Appendix VII – Certification and Assurances is provided for certification purposes and must be completed and filed as a part of the Bidder’s Financial/Contractual Proposal.

7.5.6 Insurance

Apparently Successful Bidders must comply with the insurance requirements identified in Appendix I – Sample Contract (Agreement).

7.5.7 Proprietary Proposal Material

Materials submitted in response to this competitive procurement shall become the property of DSHS.

In order to protect the integrity of the contracting process which is a vital state interest, all proposals shall remain confidential and will not be disclosed until after award and signing of the contract. It is DSHS' duty to conduct the state's business in such a way as to protect the public. In order to so protect, DSHS will not disclose bids before a contract is signed. This will ensure fair competition without undue advantage to any bidder leading to private gain and public loss. Thereafter, the proposals shall be deemed public records as defined in the Public Records Act, RCW 42.56.

Any information in the proposal that the Bidder desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.56 must be clearly designated. Each page claimed to be exempt from disclosure must be clearly identified by the word "Proprietary Data" printed on the lower right hand corner of the page. Each page so identified must include a statement of the basis for such claim of exemption or the particular exception from disclosure upon which the Bidder is making the claim.

DSHS will consider a Bidder's request for exemption from disclosure; however, DSHS will make a decision predicated upon applicable laws. The Bidder must be reasonable in designating information as confidential. If any information is marked as proprietary in the proposal, such information will not be made available until the affected Bidder has been given an opportunity to seek a court injunction against the requested disclosure.

Marking the entire proposal exempt from disclosure will not be honored and will, in fact, be grounds for disqualification from the evaluation process.

DSHS' sole responsibility shall be limited to maintaining the above data in a secure area and to notify bidder of any request(s) for disclosure within a period of five (5) years from date of award. Failure to so label such materials or failure to provide a timely response after notice of request for public disclosure has been given shall be deemed a waiver by the bidder of any claim that such materials are, in fact, so exempt. Confidentiality is available only to the limited extent allowed in state law. DSHS may choose to disclose despite information being marked as confidential.

7.5.8 No Obligation to Buy

DSHS reserves the right to refrain from contracting with any responding Bidder. The release of this RFP does not compel DSHS to purchase services or products.

7.5.9 Grounds for Disqualification

Bidder's proposal must respond directly to RFP Section 2, 3, 4, 5 and 6. Failure to meet the requirements of the RFP is grounds for disqualification and may be established by any of the following conditions:

- The Bidder fails to include information requested or necessary to substantiate that a given requirement has been met. An answer of "We understand this requirement and will comply" is not acceptable, unless otherwise noted.

- The Bidder presents the information requested by this RFP in a manner inconsistent with the instructions stated by any portion of this acquisition document.

- At DSHS' sole discretion, customer references, or other investigative practices, identify the Bidder's inability to comply with one or more of the requirements.

7.5.10 Authorized DSHS Representatives

The DSHS FADS Project Sponsor, or designee, is the only individual who may legally commit DSHS to the expenditure of funds for this acquisition. No cost chargeable to the proposed contract may be incurred before the receipt of a fully executed contract, including CMS approval.

7.5.11 Non Discrimination

No individual may be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of, or in connection with, any program provided by this contract because of race, color, creed, marital status, religion, sex, sexual orientation, national origin, Vietnam Era or disabled veteran status, age, the presence of any sensory, mental or physical disability, or political affiliation or belief.

7.5.12 Waiver of Minor Administrative Irregularities

DSHS reserves the right, at its sole discretion, to waive minor administrative irregularities contained in the RFP or any Bidder's proposal.

7.5.13 Single Proposal Response

Bidders may respond to this RFP with one (1) proposal response. Should Bidders elect to form teams or alliance relationships, a Bidder may only respond as Prime or Sub-Contractor on one (1) team.

7.5.14 Non-Competitive Response

Receipt of only one Bidder's proposal (e.g., a response from only one responder) to the RFP may be deemed a failure of competition and, at the sole option of DSHS, the RFP may be canceled. Alternatively, DSHS may choose to name the single responder as the Apparent Successful Vendor.

7.5.15 Proposal Property of DSHS

All materials submitted in response to this RFP become the property of DSHS. Selection or rejection of the proposal does not affect this right.

7.5.16 Third Party Bidder

DSHS will accept proposals that include third party equipment and/or software only if the proposing Bidder agrees to act as prime contractor and guarantor for all proposed equipment and software. Bidders must disclose the use of any third party equipment or software and indicate Bidder's willingness to assume prime contractor responsibility.

7.5.17 Necessary Ancillary Equipment and Software

Unless specifically exempted by the terms of this Procurement, all parts, software, software licenses, if applicable, or accessories (e.g., cables, power converters, display devices) ordinarily furnished or required to make the proposed solution a complete, effectively functioning solution, must be furnished by the Bidder at no additional cost to DSHS.

7.5.18 Equipment Delivery

Bidders must certify that the proposed equipment can be delivered, installed and operationally ready to support the work plan identified in 2.11, Work Plan.

7.5.19 Cost Liability

DSHS is not responsible for any costs incurred by the Bidders related to this Procurement.

7.5.20 Incorporation of Documents in Contract

This RFP and the Bidder's proposal will be incorporated through reference into any resulting contract.

8. Evaluation and Selection

8.1 Evaluation Teams

The evaluation of the proposals will be conducted by four groups of evaluators:

- Management Evaluation Team.

- Technical/Future Technical Specifications Evaluation Team
- Functional Evaluation Team.
- Financial/Contractual Evaluation Team.

The FADS Project Team will provide staff to assist each evaluation team to distribute proposal materials and perform the Assessment of Compliance for the management, technical, functional and financial/contractual proposals. These staff will act as advisors to the evaluation teams and facilitate the proposal review meetings. The RFP Coordinator will schedule demonstrations and oral presentations and coordinate the final review and approval of the Vendor selection.

The evaluations will progress independently of each other, without cross-dissemination of evaluation results (except when a proposal is rejected as non-responsive). Certain individuals may serve on more than one (1) team. In such cases, they will not share any team scores with members of another team.

8.1.1 Management Evaluation Team

To leverage the expertise within DSHS, the Management Evaluation Team will consist of staff skilled in program and project management from various organizations within DSHS.

This team will conduct the evaluation of management proposals against the requirements outlined in Section 2 of the RFP. This team will also be responsible for performing and documenting reference checks and interviewing key staff proposed by the Bidder for managing the design, development and implementation of the FADS. The reference checks and management interviews will be performed prior to final proposal scoring.

8.1.2 Technical Evaluation Team

To leverage the expertise within DSHS, the Technical Evaluation Team will consist of technical managers from various organizations within DSHS.

This team will conduct the evaluation of technical and future technical proposals against requirements outlined in Sections 3 and 5 of the RFP. Qualified Bidders will be asked to present an in-depth oral presentation and explanation of its proposed technical architecture to the team prior to final technical proposal scoring.

Bidders selected as finalists will be asked to perform scripted demonstrations as part of the functional evaluation. The team may be augmented by additional subject area experts to evaluate each demonstration scenario. The demonstrations will be scored and will be part of the overall functional score for the Bidder.

8.1.3 Functional Evaluation Team

To leverage the expertise within DSHS, the Functional Evaluation Team will consist of subject matter experts from various organizations within DSHS.

This team will conduct the evaluation of technical and functional proposals against requirements outlined in Section 4 of the RFP. Qualified Bidders will be asked to present an in-depth oral presentation and explanation of its proposed technical architecture to the team prior to final technical proposal scoring.

Bidders selected as finalists will be asked to perform scripted demonstrations as part of the functional evaluation. The team may be augmented by additional subject area experts to evaluate each demonstration scenario. The demonstrations will be scored and will be part of the overall functional score for the Bidder.

8.1.4 Financial/Contractual Evaluation Team

The Financial/Contractual Evaluation Team will review the Bidder's Financial/Contractual Proposal.

The RFP Coordinator with assistance from the FADS Project Team will provide overall coordination of the evaluation process. They will receive the proposals, provide materials to the evaluation team, and ensure the security of and confidentiality of the financial/contractual evaluation process.

The evaluation of Financial/Contractual Proposals will consist of a compliance assessment to ensure all required statements and forms are included, and the scoring of Bidder suggested contract changes and cost proposals.

8.1.5 Oral Presentation Evaluation Team

The Oral Presentation Evaluation Team will consist of members from the Management, Functional and Technical Evaluation Teams. Members of the Executive Steering Committee may participate in the oral presentations but will not participate in scoring. See section 7.3 Activities and Schedule

The Oral Presentation Evaluation Team will evaluate the Bidder's performance during oral presentations by assessing criteria in each of the four areas below:

- Bidder's Team Members, their Qualifications and a demonstration of their ability to work together as a cohesive team.
- Approach to Project Management.
- Understanding of the RFP and DSHS Requirements.
- Understanding of DSHS.

8.2 Evaluation Process

8.2.1 Overview

The evaluation process is organized into the following steps:

Step 1 – Assessment of Compliance with Minimum Qualifications.

Step 2 – Evaluation and Scoring of Management Proposals.

Step 3 – Evaluation and Scoring of Technical and Future Technical Proposals.

Step 4 – Evaluation and Scoring of Functional Proposals.

Step 5 – Selection of Finalists.

Step 6 – Scoring of Financial/Contractual Proposals.

Step 7 – Evaluation and Scoring of Oral Presentations and Demonstrations.

Step 8 – Recommend Vendor Selection.

Evaluations conducted in steps 2 through 4 and 6 and 7 will be scored. The remainder of this selection summarizes each of the evaluation steps and the responsibilities of the evaluators.

8.2.2 Assessment of Compliance

Prior to evaluating written proposals, DSHS will determine, in its sole discretion, whether Bidder meets all of the Minimum Qualifications as well as all other MRs identified in the RFP, and at DSHS' sole discretion, may disqualify any Bidder who does not meet (in DSHS' opinion) the Minimum Qualifications. Corrections to proposal material may be requested, in writing, with a limited time period for their receipt to ensure timely evaluation of the full proposal or to allow for its rejection for noncompliance. A correction requested from one Bidder does not establish a right or opportunity for any other Bidder to submit questions or clarifications. Corrections shall be limited to only those requested by the RFP Coordinator.

All Bidders whose proposals meet minimum qualifications in DSHS' opinion, will then proceed through the proposal evaluation and scoring steps. The evaluation and scoring of the management, technical, functional, future technical specifications and financial/contractual requirements will focus on Scored Requirements (SR).

8.2.3 Selection of Finalists

After evaluation of management, technical and functional proposals, final scores for all three proposals will be calculated for each Bidder. Finalists will be selected based upon total score and will be asked to participate in demonstrations and oral presentations. The number of finalists will depend upon the number of bids received and the overall total score distribution. Bidders not selected as finalists will be notified by DSHS by e-mail or FAX with follow-up hardcopy in the mail.

8.3 Vendor Selection

Vendor selection begins after evaluation and scoring are complete for the management, technical, functional and financial/contractual proposals, as well as demonstrations and oral presentations. The scores are combined to produce the final scoring and ranking of Bidders.

DSHS at its sole discretion may elect to take the highest two (2) to three (3) Bidders into a Best and Final Offer evaluation.

8.3.1 Best and Final Offer

Upon completion of the Bidders' oral presentations and demonstrations, the RFP Coordinator may issue to the Bidders a request for Best and Final Offers. This request may include specific instructions as to the content and form of the Best and Final Offer and an invitation to submit a revised proposal.

The State reserves the right to select the Apparently Successful Vendor without requesting a Best and Final Offer. Therefore, Bidders should submit their proposal on the most favorable terms the Bidder can offer.

8.3.2 Selection of Apparently Successful Vendor (ASV)

There will be one (1) Apparently Successful Vendor (ASV) identified to be eligible to provide the solution specified in the RFP and subsequent Bidder Proposal. The ASV must meet the minimum qualifications and all the Mandatory non-scored requirements (MR) of this RFP. DSHS management shall make the final determination as to which Bidder shall be officially selected and announced as the ASV under this solicitation. In so doing, DSHS management will be guided but not bound by the scores awarded by the evaluators. DSHS management shall determine which proposals evaluated will best meet the needs of DSHS.

DSHS reserves the right to reject any or all bids for any reason deemed by DSHS not to be in agency's interest, including but not limited to:

- Unacceptable cost;
- Poor quality of proposal; or
- Lack of, or poor quality of, competition.

8.3.3 Announcement of Apparently Successful Vendor

Once DSHS has determined the ASV, all Bidders will be notified by e-mail or FAX with follow-up hardcopy in the mail. The date of the announcement of the ASV will be the date the announcement letter is postmarked.

8.3.4 Debriefing Conferences

If DSHS does not select a Bidder's proposal, the Bidder may request a debriefing conference. The Bidder must submit its request in writing, addressed to the RFP Coordinator and signed by the Bidder. The request may be faxed or e-mailed and must be received by the close of the second (2) business day following DSHS' electronic notification of an ASV.

DSHS will schedule the Bidder debriefing during the three (3) Business Days following the close of the period for requesting debriefings. The debriefing conference may be conducted either in person or by telephone and will be scheduled for a maximum of one (1) hour.

Discussion at the debriefing will be limited to the following:

- Evaluation and scoring of Bidder's proposal.
- Critique of Bidder's proposal.
- Review of Bidder's final score in comparison with other Bidder's final scores without identifying the Bidders.

A Bidder may submit a protest only after a debriefing conference has been both requested and held with that Bidder.

8.4 Complaint and Protest Procedures

8.4.1 Complaints

A complaint may be made before a prospective Bidder responds to a solicitation document if the prospective Bidder believes that the document unduly constrains competition or contains inadequate or improper criteria. The written complaint must be made to the RFP Coordinator no later than one week before the due date of the Proposal.

DSHS must immediately forward a copy of the complaint to the Department of Information Services Management and Oversight of Strategic Technologies Division (MOSTD). DSHS must also reply to the prospective Bidder with its findings and if appropriate, a proposed solution, and advise DIS/MOSTD of its reply. If the prospective Bidder rejects DSHS' proposed solution, DIS/MOSTD may direct modification of solicitation requirements or the schedule, direct withdrawal of the solicitation, or may take other steps that it finds appropriate. The DIS/MOSTD decision is final; no further administrative appeal is available.

8.4.2 Bidder Protests

Bidders that have submitted a Proposal to this solicitation *and* have had a debriefing conference may submit protests. Upon completion of the debriefing conference, a Bidder is allowed five (5) Business Days to file a formal protest of the procurement with the RFP Coordinator.

Such protest is allowed only if it is based on any of the following alleged irregularities:

- Errors were made in computing the score.
- DSHS failed to follow procedure established in the solicitation document, ISB policy, or applicable State or federal laws or regulations.
- Bias, discrimination, or conflict of interest on the part of an evaluator.

Protests must be based on these criteria in order to be considered.

8.4.3 Protest process

The Bidder submitting a protest must post a bond or cashier's check in the amount of $1,000,000. The bond will be used to cover the costs associated with a protest (e.g., cost of processing the protest and any costs associated with the delay to the project that would result from a protest). Any remaining funds will be returned to the protester. If the protester is successful, the entire $1,000,000 will be returned.

Bidders making a protest shall include, in their written protests, all facts and arguments upon which the Bidder relies. Bidders shall, at a minimum, provide:

- Information about the protesting Bidder; name of organization, mailing address, phone number, and name of individual responsible for submission of the protest.
- Specific and complete statement of the action(s) being protested.
- Specific reference to the grounds for the protest.
- Description of the relief or corrective action requested.

Upon receipt by DSHS of a protest, a protest review will be conducted by a State of Washington employee or designee not involved in the procurement. All available facts will be considered and a decision will be issued by DSHS within five (5) Business Days of receipts of the protest. However, if additional time is required, the protesting party will be notified in writing.

In the event a protest may affect the interest of another Bidder, such Bidder may be given an opportunity to submit views and any relevant information on the protest to the RFP Coordinator.

If the Bidder is not satisfied with the DSHS decision, the Bidder may appeal that decision to the Chair of the ISB within five (5) Business Days after the Bidder received the decision. The Chair will establish the procedures to resolve the appeal. The resulting decision of the ISB Chair is final with no further administrative appeal available and constitutes the final step of the protest process.

8.5 Contract Process

8.5.1 Contract Negotiation

Immediately following the announcement of the ASV, contract negotiations will begin. DSHS reserves the right, at its sole discretion, to cancel and award the contract to the next ranked Vendor if either of the following occurs:

- Substantive progress in negotiation of a contract is not achieved within twenty (20) Business Days of announcing the ASV; or

- The ASV fails to sign the successfully negotiated contract within five (5) Business Days of delivery to the ASV.

8.5.2 Contract Award and Execution

DSHS reserves the right to make an award without further discussion of the ASV's submitted proposal. Therefore, the proposal should be initially submitted on the most favorable terms the Vendor can offer.

The ASV should be prepared to accept this RFP for incorporation into a contract resulting from the RFP. Contract negotiation, if held, will provide for the incorporation of the Vendor's proposal to this RFP.

8.5.3 Proposal Part of Contract

This RFP and the successful Vendor's proposal will become part of the contract. Additionally, DSHS may choose to verify any or all Vendor representations that appear in the proposal. Failure of the Vendor to produce results promised in the proposal, in demonstrations, or in actual use may result in elimination of the Vendor from the evaluation process or in contract cancellation or termination.

8.5.4 Sample Contract (Agreement)

The ASV will be expected to enter into a contract with DSHS that is substantially the same as the sample contract included with this procurement as Appendix I – Sample Contract (Agreement). The sample contract is subject to change and to state/federal approval prior to execution.

In no event is a Vendor to submit its own standard contract terms and conditions as a proposal to this procurement. The Vendor needs to address the specific language in Appendix I – Sample Contract (Agreement) in accordance with Section 6.5, Contractual Language.

8.5.5 Negotiating is Acceptable

The forgoing should not be interpreted to prohibit either party from proposing additional contract terms and conditions during the negotiation of the final contract.

8.5.6 Contract Term

The period of performance of the Contract resulting from this RFP (if any) shall include a one year initial term and an additional five one-year option periods to be exercised at DSHS' sole discretion by DSHS providing written notice to the Contractor of such exercise. In addition, the Contract may be amended by written agreement of the parties.

Appendix I: Sample Contract (Agreement)

Release of Sample Contract Notification

The Sample Contract for the Fraud and Abuse Detection System will be released on or before November XX, 2008 as an amendment to this Request for Procurement (RFP).

Appendix II: Financial Information, Representations, and Disclosures

Bidder's Financial Disclosure

Instructions: Complete each item, using attachments where necessary. If attachments are used, indicate the item number and question being referenced as it appears below. Remember to complete a separate form for each subcontractor proposed by you to work on this contract.

1. Does your organization prepare a public annual financial statement**? IF YES, PROVIDE A COPY OF THE MOST RECENT ANNUAL FINANCIAL STATEMENT**.

2. Does an independent auditor audit your organization? **IF YES, ANSWER a) through d)**.

   a) How often are audits conducted?

   b) Who conducts them?

   c) Are management letters or short form certificates on internal controls issued by the auditing firm? **IF YES, PROVIDE THE MOST RECENT COPY OF THIS INFORMATION.**

   d) Does your organization have any uncorrected audit exceptions?

3. Are there any suits, judgments, tax deficiencies or claims pending against your organization? IF YES, attach a brief description of any actions pending against your organization (or parent organization) described above, including the dollar amount involved and in which states the action is pending.

4. Has your organization ever claimed bankruptcy? If so, specify dates.

Signature		Date	
Printed Name		Firm	
Title			

Appendix III: Cost Proposal Form

Instructions: Vendors must submit a completed Appendix III – Cost Proposal Form in the Financial/ Contractual Proposal, per RFP Section 6,1, Cost Proposal.

Fixed Price Cost Proposal for DDI:

Component	One-Time DDI Costs[1]
1. DDI Proposed Fixed Price Includes all System functionality including, but not limited to, MR and SR requirements contained in this RFP.	1. $_____
2. DDI Contingency: 5% of Proposed Fixed Price for DDI Contingency for potential Change Orders	2. $_____
3. "Blended" hourly rate per RFP Section 6.1	3. $_____
Total: (1 + 2)	$_____

[1] To design, develop, test, and implement the Fraud and Abuse Detection System (FADS) Project as described by RFP #[].

Fixed Price Cost Proposal for On-going Operations and Maintenance[2]:

Component	Year 1	Year 2 (option)	Year 3 (option)	Year 4 (option)	Year 5 (option)	Year 6 (option)	Total
1. Maintenance and Operations Proposed Fixed Price							
2. Maintenance and Operations Contingency: 1,000 hours per year for potential Operations and Maintenance Change Orders							
3. Total (1+2)							

Note:

1. On-going operations and maintenance payments will not commence until DSHS has determined the implemented system meets State acceptance criteria as defined for the implementation phase in accordance with the process detailed in the RFP.
2. Throughout the life of the contract, the Bidder shall provide, at no additional cost to DSHS, fixes to any defects or shortcomings of the system per RFP Section 4.11, Maintenance and Operations.
3. The costs for up to one thousand (1,000) hours additional assistance for specific projects/training are to be included in the cost proposal.

[2] To operate and maintain the Fraud and Abuse Detection System (FADS) Project as described by RFP #[].

Appendix IV - DSHS Information Technology Security Policy Manual Request

Sections 3 (Technical Requirements) and 4 (Functional Requirements) of the RFP make reference to the DSHS Information Technology Security Policy Manual. The Manual is a classified document intended for the exclusive use of DSHS personnel and business partners.

In order to monitor to whom the information is released, the Manual will only be released to interested Bidders who formally request it.

The DSHS Information Technology Security Policy Manual can be requested by:

1. Sending an e-mail to the RFP Coordinator, Andrew Kramer, at KrameAW@dshs.wa.gov. The subject line of your e-mail should read: "FADS RFP: DSHS Information Technology Security Policy Manual Request."

2. Faxing your request to the RFP Coordinator, Andrew Kramer, at (360) 664-6184. The subject line of your fax should read: "FADS RFP: DSHS Information Technology Security Policy Manual Request."

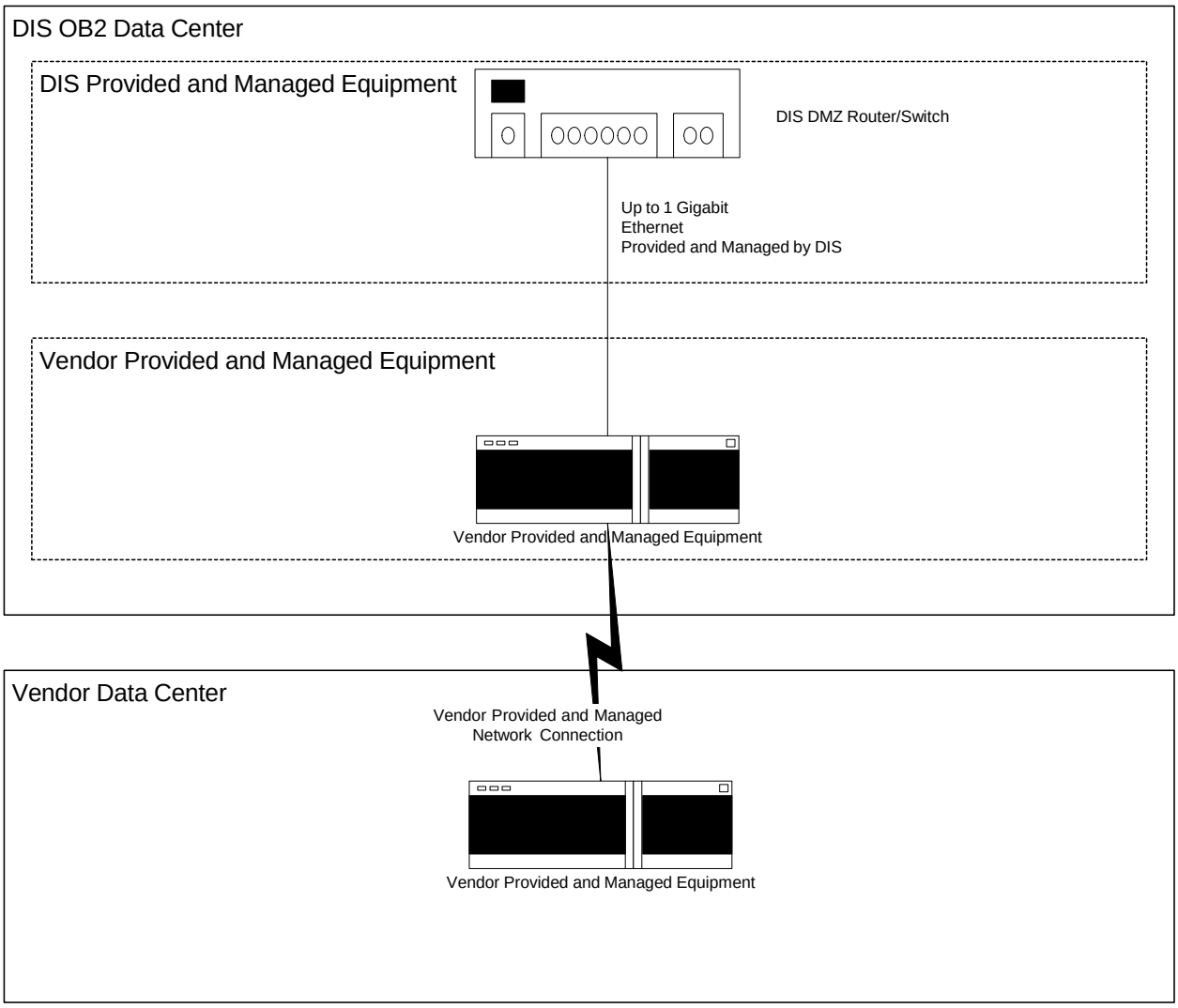
All requests will be filled in the same business day if received before 4 p.m. Monday through Friday, Washington state time.

Requestors will receive an encrypted e-mail from the RFP Coordinator with the DSHS Information Technology Security Policy Manual attached.

Appendix V: DIS DMZ Demarcation Diagram

The diagram below depicts the desired demarcation between the successful Vendor's network environment and the State of Washington network environment.

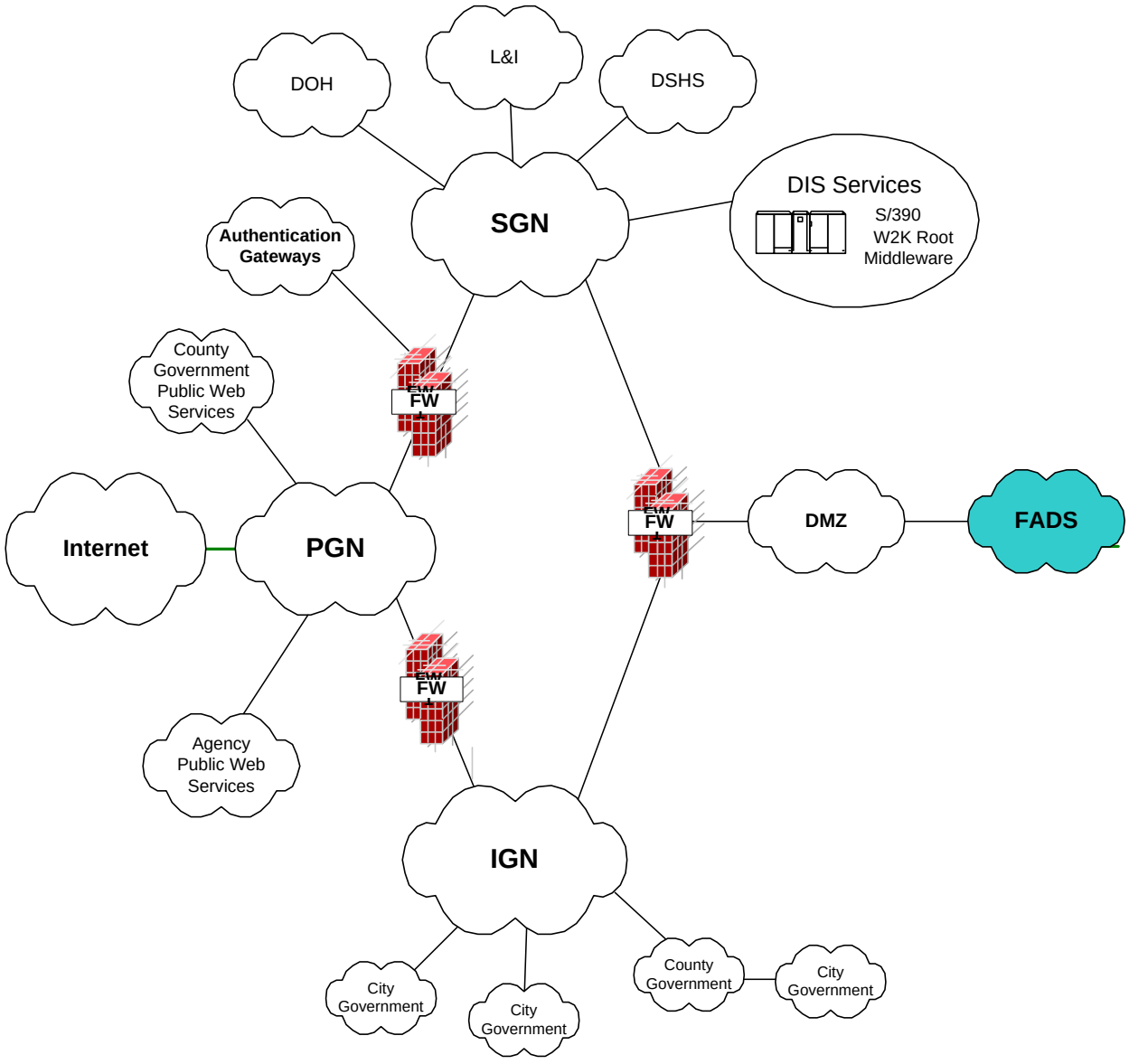
DIS Vendor DMZ Management Demarcations



Appendix VI: Technical Environment

State of Washington Network Diagram

The diagram below represents the State of Washington network infrastructure. It depicts logical relationships only. No implication of physical device characteristics, quantity of devices, organizational capabilities, or quantity of organizations is inferred.



Appendix VII: Certifications and Assurances

The Bidder makes the following certifications and assurances as a required element of the response to which it is included, understanding the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award and continuation of the contract resulting from this RFP.

- **Independent Preparation And Cost Determination**

  Unless provided for otherwise in the RFP, Prices and/or cost data have been arrived at independently, without consultation, communications, or agreement with any other Bidder or with any competitor for the purpose of restricting competition.

  Unless provided for otherwise in the RFP, or unless otherwise required by law, the prices and/or cost data submitted have not knowingly been disclosed by the Bidder and will not knowingly be disclosed by the Bidder, prior to award, directly or indirectly to any other Bidder or to any competitor.

  No attempt has been made nor will be made by the Bidder to induce any other person or firm to submit or not submit a response for the purpose of restricting competition.

  NOTE: In order to ensure fair and equal competition between all Bidders, the development of responses with the assistance of organizations or individuals outside the Bidder's organization must be declared in the response and the name(s) of such organizations or individuals provided. Failure to acknowledge such assistance and to identify those providing it may result in the disqualification of the response. No contingent fees for such assistance will be allowed to be paid under any contract or grant resulting from this RFP. HOWEVER, the Bidder may freely join with other persons or organizations for the purpose of presenting a single response.

- **Price Warrant**

  The costs quoted for services in response to this RFP do not exceed those charged any other client for the same services performed by the same individuals.

- **Preparation Costs**

  I/we understand DSHS will not reimburse me/us for any costs incurred in the preparation of the Proposal. All Proposals become the property of DSHS, and I/we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Proposal.

- **Bidder Meets Mandatory Qualifications**

  The Bidder certifies they meet the minimum qualifications listed in the RFP.

- **No Conflict Of Interest**

  In preparing this response, I/we have not been assisted by any current or former employee of the State of Washington whose duties related (or did relate) to this RFP or prospective contract, and who was assisting in other than his or her official, public capacity. Neither does such a person or any member of his or her immediate family have any financial interest in my/our firm, or in the award of a contract to my/our firm. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)

Appendix VIII: Proposal Checklist

The following is intended to assist in providing material that is needed for the agency to do an effective job of evaluation. Response to these items is viewed as an important means for objectively assessing the Bidder's ability to respond to the needs of the agency as expressed in the RFP. As an interested Bidder we have prepared a proposal and are submitting the required materials consistent with the RFP:

- One (1) electronic copy of all required information on a CD or thumb drive in Microsoft Word 2003 or later and labeled accordingly.
- One (1) unbound, reproducible copy of the entire Proposal, excluding the Financial/Contractual Proposal.
- Sealed, labeled and separately bound proposal package consisting of six (6) copies of the Management Proposal, six (6) copies of the Technical Proposal; and six (6) copies of the Functional Proposal; six (6) copies of the Future Technical Specifications in accordance with RFP Section 6.4.5.
- Sealed, labeled and separately bound proposal package consisting of six (6) copies of the Financial/Contractual Proposal in accordance with RFP Section 6.4.5.
- Completed and signed Appendix II – Financial Information, Representations and Disclosures, per RFP Section 2.6.2.
- MWBE Certification, if applicable, per RFP Section 2.6.6.
- Completed Appendix VII – Certifications and Assurances, per RFP Section 6.2.
- Completed Appendix VIII – Proposal Checklist, per RFP Section 6.3.
- Completed and signed Appendix IX – Confidentiality Statement, per RFP Section 6.4.
- One (1) electronic copy of proposed contract language changes, if any, per RFP Section 6.5, or a statement that the proposed contract is accepted as is.

Additionally we have completed Sections 2, 3, 4 and 5 to the best of our knowledge. The indicated items have been provided as part of this Proposal.

Signature		Date	
Printed Name		Firm	
Title			

Appendix IX: Confidentiality Statement

Instructions: Bidders must submit a completed Appendix IX – Confidentiality Statement signed and dated by all employees of the Bidder proposed for the project, per RFP Section 6.4.

As an authorized representative and/or corporate officer of the company named below, I warrant that my company and its employees will not disclose nor fail to keep secure any documents, diagrams, information and information storage media made available by the DSHS for the purpose of responding to this RFP, or in conjunction with any contract arising there from. I warrant that only those employees who are authorized and required to use such materials will have access.

I further warrant that after use, all materials provided by DSHS or the State, will be returned promptly, and all copies or derivations of the materials will be physically and/or electronically destroyed. I will include the returned materials, a letter attesting to the complete return of materials and document the destruction of materials, including copies and derivations. Failure to comply will subject this company to liability, both criminal and civil, including all damages to DSHS and third parties. I authorize DSHS to inspect and verify the above.

I warrant that if my company is awarded the contract, the company will not enter into any agreements or discussions with a third party concerning such materials prior to receiving confirmation from DSHS that such third party has an agreement with the State similar to this one.

Signature	**Printed Name**
Title	**Date**
Company Name	